DOCUMENT RESUME

ED 348 236 SO 019 045

AUTHOR	Jackstadt, Steve; Mak, James
TITLE	The Saga of IHU NUI: Economic Man and Teacher's Guide. Updated and Revised.
INSTITUTION	Hawaii Council on Economic Education, Honolulu.; Hawaii State Dept. of Education, Honolulu. Office of Instructional Services.
PUB DATE	87
NOTE	185p.; For the 1978 edition, see ED 198 027.
AVAILABLE FROM	Center for Economic Education, Porteus Hall 540, 2424 Maile Way, Honolulu, HI 96822.
PUB TYPE	Guides - Classroom Use - Instructional Materials (For Learner) (051) -- Guides - Classroom Use - Teaching Guides (For Teacher) (052)
EDRS PRICE	MF01 Plus Postage. PC Not Available from EDRS.
DESCRIPTORS	Curriculum Guides; *Economic Development; *Economics Education; Grade 11; Grade 12; High Schools; *Instructional Materials; Learning Activities; Resource Materials; Resource Units; *Social Studies; Socioeconomic Background; Teaching Guides; Units of Study
IDENTIFIERS	*Hawaii

ABSTRACT

This document consists of a second edition of the book, "The Saga of IHU NUI: Economic Man," originally published in 1978, and a considerably expanded teacher's guide to accompany the book. The book itself consists of nine episodes depicting Hawaii's economic development written and illustrated in comic book format. Each episode is accompanied by explanatory material and questions. Episode 1 relates the story of Hawaiian life and economy before the arrival of Captain James Cook in 1778. Episode 2 describes the arrival of Captain Cook and its impact on the island economy. After the publication of "Cook's Voyages" in 1784, Hawaii became an important supply base for ships that crossed the Pacific Ocean, and trade with the world quickly developed, as explained in Episode 3. The story of the development of the whaling trade and its effects on Hawaii are reviewed in episode 4. Episode 5 outlines Hawaiian laws and customs relating to land rights. The development of the sugar and pineapple industries are the subjects of episodes 6 and 7. World War II's impact on Hawaii's economy is discussed in episode 8. The growth of the tourist industry is described in episode 9. Data are illustrated in tables. The accompanying teacher's guide provides suggestions and learning activities for teaching each of the episodes. The teacher's guide is organized to facilitate instruction in Hawaiian history and economics within the context of 11th-12th grade social studies programs. These materials can be used with students at all ability levels and can be used as a basic text or as a supplement to other materials. Materials are organized into specific economic or historical concept units that provide: (1) definitions of related terms; (2) learning objectives; (3) teacher information; (4) student learning activities; (5) answers to stated questions; (6) worksheets; (7) charts; and (8) games. (JHP)

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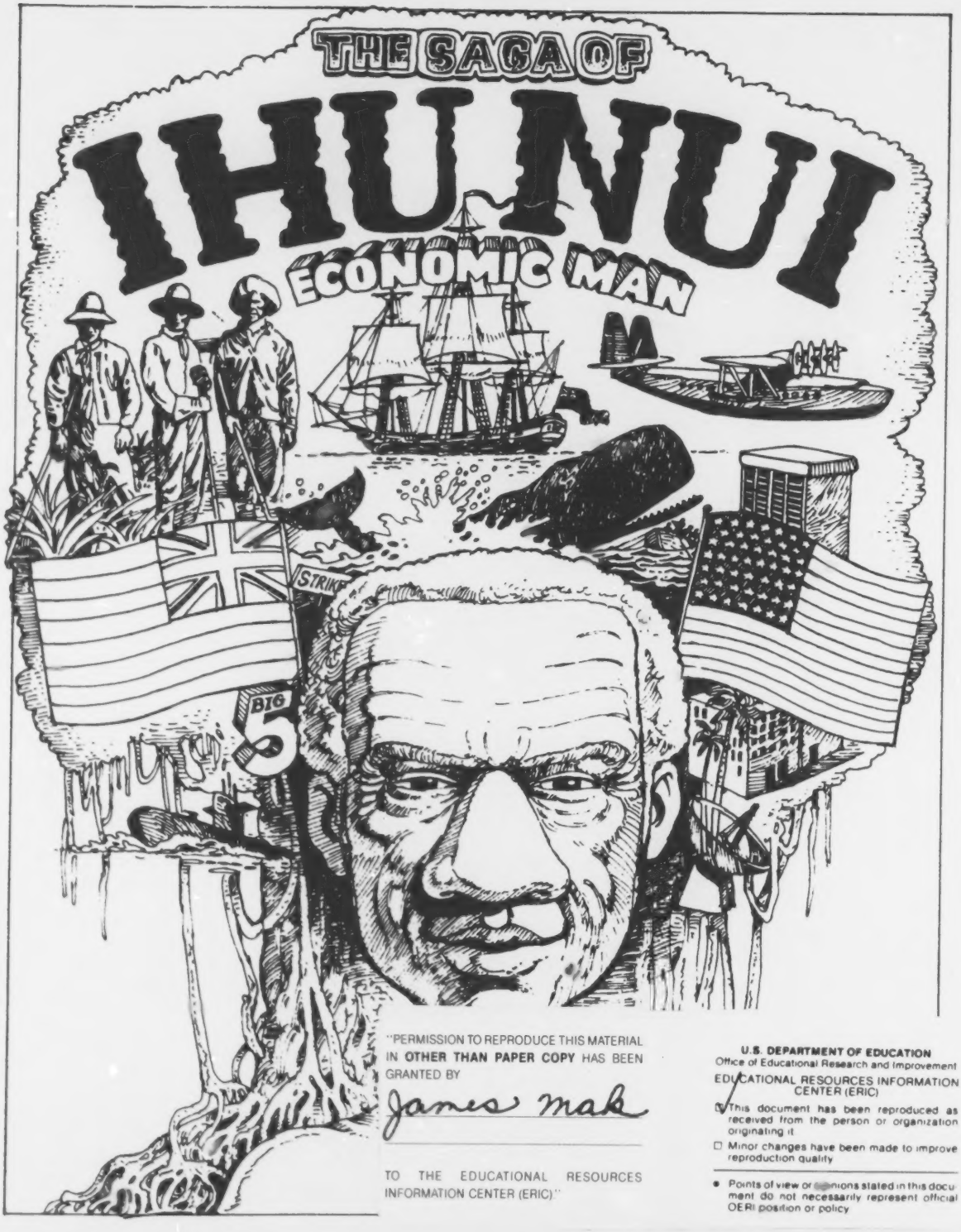

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TEACHER'S GUIDE

HAWAII COUNCIL ON ECONOMIC EDUCATION, 1987

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FORWARD

This publication was written by the authors of the book, The Saga of Ihu Nui, which is designed to facilitate instruction in the economic history of Hawai'i at the high school level. The learning activity that accompanies each episode was written and developed by Lyle Hendricks of Farrington High School and Gail Tamaribuchi, Director, Center for Economic Education-Manoa.

This guide is meant to assist teachers with ideas as well as some practical suggestion in using The Saga of Ihu Nui, and can, therefore, be flexibly used by teachers of the course on "The Modern History of Hawaii".

The Saga of Ihu Nui represents an interesting and highly motivating approach of teaching and learning about Hawai'i. Both the book and the teacher's guide are available for teachers from the Center for Economic Education located at Porteus Hall 540, University of Hawaii.

INTRODUCTION

The Saga of Ihu Nui is designed to facilitate instruction in Hawaiian history within the context of the 11th-12th grade social studies program. The book can be used in a variety of ways — as a basic text or as a supplement to other materials. The Saga of Ihu Nui can be used with students of all abilities.

It is up to the teacher to use this book as he/she sees fit. The Teachers' Guide will offer some suggestions as well as additional information in order to save preparation time. The questions at the end of each chapter are mostly simple recall questions. To enrich the materials of the text, accompanying each episode of the text.

For additional information regarding The Saga of Ihu Nui call the Center for Economic Education, Porteus Hall 540, University of Hawaii at (808)948-7009.

EPISODE I. "Hello Ihu Nui, Goodbye Nohea"

The purpose of this episode is to give students a general idea of how production and exchange took place in ancient (pre-Captain Cook) Hawai'i.

OBJECTIVES

After reading this episode students should be able to :

1. Describe the system of land tenure in ancient Hawai'i.
2. List at least 10 goods and services produced by the ancient Hawaiians.
3. Explain how goods and services were distributed among the commoners and chiefs in ancient Hawai'i.

ANSWERS TO EPISODE I

1. Our best guess is that approximately 250,000 Hawaiians lived in these islands when Captain Cook arrived in 1778, although some estimates go as high as 300,000.

   Over 1,000,000 people live in Hawai'i today. The 1986 State of Hawaii Data Book reports a state population of 1,062,344 as of July 1, 1986.

2. Moku were larger than ahupua'a. Around 1778, for example, O'ahu was divided into six moku. Each moku was divided into half-a-dozen or a dozen ahupua'a. Ali'i who ruled moku were of higher status, generally, than those who ruled ahupua'a.

3. The list of things produced by the ancient Hawaiians is long and interesting. Here, we can give only a partial list, including goods mentioned in the text. These goods include:

   kapa
   taro
   canoes (many kinds)
   sweet potatoes
   dried fish
   digging sticks
   weapons (including spears, daggers, clubs)
   stone food pounders
   bananas
   yams

fish hooks (from bone, dog teeth, wood, etc.)
Fish nets (from Olona and hau bark)
gourd containers
carved wooden bowls
houses
canoe sheds
stone-bladed adzes
stone lamps
feather capes and cloaks
helmets (Made of woven rootlets of the 'ie'ie vine and feathers
wigs
ornamental necklaces

For a description of ancient Hawaiian products, complete with pictures, see Joseph Feher's Hawaii: A Pictorial History, published by Bishop Museum Press, pp. 35-125.

4. The commoners, or maka'āinana, did most of the work.

5. Ahupua'a ran from the mountain to sea to facilitate economic self-sufficiency. Most ahupua'a thereby had access to things of the forest, a place to grow crops, and access to the sea.

6. In return for their taxes and obedience, the commoners received justice as well as political and military leadership from the ali'i, and religious services from the kahuna.

   Today's taxpayers receive myriad goods and services from the government, including schools, roads, hospitals, mail service, fire and police protection.

7. No one really "owned" the land in ancient Hawai'i. As we mentioned in the narrative section of Episode V, the Chief or highest-ranking ali'i of each island was the acknowledged proprietor of the land. All persons, including ali'i, held land at his discretion and upon payment of taxes. The chieftain gave rights to hold moku and ahupua'a to lower-ranking chiefs who, in turn, distributed rights over smaller jurisdictions to those of lower rank, and ultimately down to the individual kuleana, held by commoners. Upon the death of an ali'i, the land he governed reverted to the chieftain and was typically redistributed.

ACTIVITY EPISODE I

ECONOMIC CONCEPTS: scarcity, allocation, resources (land, labor, and capital), three questions of production, traditional economy, subsistence economy, cost, taxes.

Economics, like any other discipline, is built on concepts peculiar to it. Two basic concepts in economics are scarcity and allocation. The world is faced with limits; and this is translated into scarcity, not having enough. Scarcity leads to choices of distribution, of allocation, so that every economic system is set up to decide how to allocate scarce resources. A resource is anything that can be used to satisfy human wants and is divided into three categories: LAND (gifts of nature); LABOR (human effort); and CAPITAL (man-made things). An economy is centered around three questions: What To Produce; How To Produce; and For Whom To Produce.

In Episode I of Ihu Nui, the two economies studied are traditional and subsistence. A traditional economy is one in which the questions of production are answered in a similar manner from generation to generation. In Ihu Nui, Ihu was expected to be a fisherman because his dad was one. The manner in which the Hawaiians obtained their food was the same from generation to generation, Hawaiians working the land. Usually primitive and farming economies are traditional economies. A subsistence economy is one in which the questions of production are answered in a daily fashion so that, after the hunt, the food is divided so all families get a share to last them equally over a short period of time. Usually primitive and hunting/gathering societies are subsistence economies.

In any discussion of the introductory concepts of economics, the concept of cost must by brought up, for it is the very nature of economics. Cost is simply that which is given up. In Episode I, it costs a fisherman fish for taro; and a farmer taro for fish. If commoners didn't show respect to the high chief, it would cost them their lives.

Finally, taxes are briefly mentioned in Episode I. The inevitability of taxes has been compared to death, and human history seems to bear this out: taxes in the form of donations to the chiefs as in Episode I; in the form of excise or use taxes like gasoline, tobacco, and alcohol; in the form of flat rate taxes like a sales tax; in the form of progressive ones like an income tax. Modern taxes, used to support government operations, reduce the amount of income available to businesses and individuals, who now have to alter their spending decisions, affecting productivity and allocation of resources in an economy.

DEFINITIONS

Resources — anything that can be used to satisfy human wants.

Cost — that which is given up

Taxes — a levy placed by government on income, property, purchases, or usage

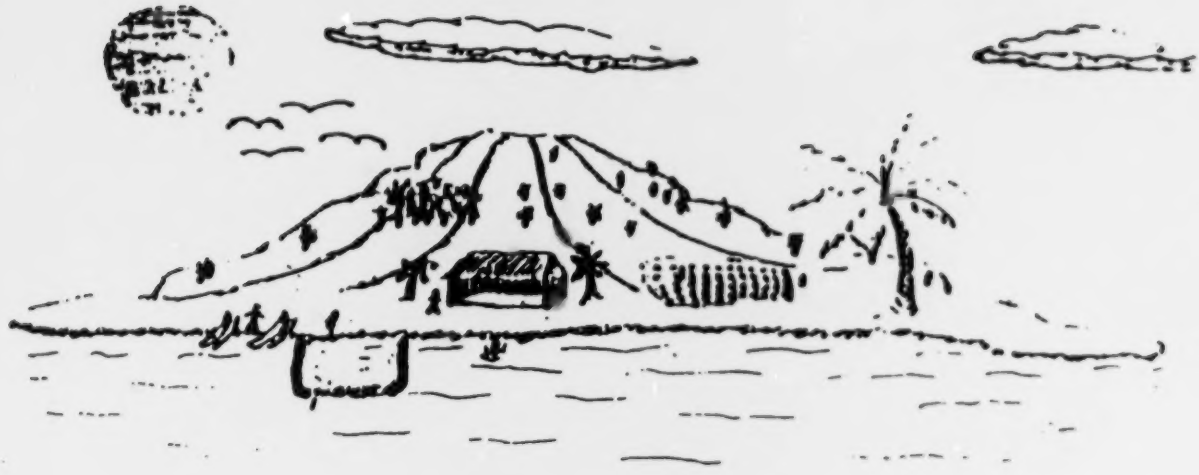
ACTIVITY - THE DIVISION OF HAWIKI

Instructional Objectives: Following the lesson the students will be able to:

1. Use ancient Hawaiian land terms.
2. Explain the division of land according to ancient Hawaiian practices.
3. Describe the various roles of the ancient Hawaiian people.

Procedure:

1. Distribute the worksheet.
2. Have the students read the selection, "The Division of Hawiki."
3. Have the students read and answer the six questions.
4. Go over the answers with the students, being sure to emphasize the key concepts of land usage and role and being sure not to give the answers by letting the students lead the discussion.



THE DIVISION OF HAWIKI

You as an ali'i nui have just conquered the island of Hawiki. It was a hard battle, and five of your warriors have proven themselves loyal and courageous fighters. Kawelo and Haohaoa and Kilakila, besides being good fighters, are capable administrators and have been in your army for the last fifteen years. Kahua and Kamaka, also proven fighters, are younger men and only recently have joined your forces. All five warriors have their own contigents which include five commanders and four lieutenants. How would you divide the island and how do you, the ali'i nui, think your warriors will divide their lands?

QUESTIONS:

1. What role would you as ali'i nui have?
2. Into how many moku would you divide your newly conquered island?
3. Who could get these moku?
4. How many ahupua'a would there be on the island of Hawiki?
5. What rank did Ihu Nui have?
6. What kind of taxes would be collected?

ANSWERS:

1. The ali'i nui would care for and protect the island of Hawiki; divide the island into moku; and collect taxes especially during the Makahiki season.

2. The island would be divided into five moku.

3. The ali'i ai moku would be Kawelo, Haohaoa, Kilakila, Kahua, and Kamaka, the latter two probably receiving lesser moku.

4. Each ali'i ai moku would need to have five ahupua'a for a total of 25 ahupua'a on the island of Hawiki.

5. Ihu Nui was a maka'āinana, a commoner.

6. Taxes in the form of goods like fish, dogs, poi, and tapa.

EPISODE II. "Ihu Nui Corners the Nail Market"

This episode gives students a general idea of the economic impact of Captain Cook's arrival in the Hawaiian Islands.

OBJECTIVES

After reading this episode, students should be able to:

1. Describe the initial economic impact of Cook's visit to Hawai'i.
2. Advance a hypothesis regarding why the Hawaiians might have thought Cook was the god Lono.
3. Describe the nature of exchange between Cook and his men and the Hawaiians.

FOR THE TEACHER

The arrival of Captain Cook and his men in the Hawaiian Islands had a profound effect on the early Hawaiians. As far as we know, this was the first time the Hawaiians had seen Europeans. From what we read in the journals of Cook and his men, it seems that many of the Hawaiians believed Cook to be an incarnation of the god Lono. Lono was the god of agriculture, fertility , and plenty.

The Makahiki season, the time for taxation, festivals, and sports, was held in honor of Lono. During the makahiki, war was kapu. It was a time of peace and joy and lasted from October through about the first week in February.

By coincidence, Cook arrived in Kealakekua Bay, on the Big Island, during the month of January, toward the end of the Makahiki. Kealakekau was the site of a heiau, built in Lono's honor. In addition, the sails on Cook's ships resembled the Makahiki banner which led the way for processions, etc., during this important season. With these facts in mind, it is not difficult to imagine that the Hawaiians, encouraged by Cook's regal appearance, as well as the new and interesting goods, tools, etc., displayed by the sailors, had a startling impact on the Hawaiians.

One of the most startling things that Cook and his men brought with them was iron. The Hawaiians had no metals of their own and were quite taken with the iron spikes, bands, nails and tools they saw aboard Cook's ships. Almost immediately iron became a prized item of

trade. The uses to which the Hawaiians could put the iron were many, as shown in Episode II. Soon nails were a medium of exchange between the foreign sailors and the Hawaiians. Nails had become money to the Hawaiians.

As is the case with any kind of money, however, the more of it in circulation, the less each unit is worth. As more and more nails were put into "circulations", the less each nail was worth. At first a nail brought several pigs in return. After Cook and his men were in Hawai'i for a week or so, and had given out a considerable quantity of nails, a nail didn't even get a single pig in return. It cost more and more nails to get the same amount of goods. Cook and his men — (or anyone who had nails) had run into a problem we all face today — inflation.

ANSWERS TO EPISODE II QUESTIONS

1. Captain Cook first came to Hawai'i with two ships, the RESOLUTION and the DISCOVERY in January, 1778. The first island sighted by Cook and his men was O'ahu. The first island the Europeans set foot on was Kaua'i -- on the morning of January 20, 1778.

2. They wanted iron not only because it was metal — something the Hawaiians themselves did not have — but because it could be used to make fish hooks, tools, weapons, and other useful things. You may want to point out that once a nail or other iron item got into Hawaiian hands it was confiscated by the ali'i, who turned the iron over to their craftsmen, who in turn worked the iron into fish hooks and other goods. Commoners gained favor with the ali'i by giving them any iron items which they received from the haoles.

3. As the supply of nails increased each nail became less valuable, in terms of what it could command in a trade. As the Hawaiians food stocks were depleted, the price of food, in terms of nails, increased.

4. As we mentioned earlier under FOR THE TEACHER, Cook arrived in Hawai'i during the Makahiki, the season which honored Lono. In addition, the sails on Cook's ships resembled the large Makahiki banners which represented Lono.

5. The arrival of Captain Cook introduced the Hawaiians to a new trading practice of using "money" as a means of exchange. Barter, which had been used prior to Cook's arrival, was no longer efficient.

ACTIVITY EPISODE IIA

ECONOMIC CONCEPTS: barter, scarcity, opportunity cost, trade-offs

Prior to the arrival of Captain Cook, the Hawaiians lived in a subsistence economy. Each family was able to produce what it needed for its use. When people are unable to produce all their needs, they use barter as a means of trade. Barter is a system of trade in which one type of good or service is traded directly for another type of good or service. In simple terms, people swapped goods or services for goods and services they wanted. For example, the farmer traded taro for fish and the fisherman traded fish for taro.

A problem with bartering is that values of items to be exchanged are usually different. For instance, if a man with a pig wants to trade it for taro, he has to decide how much taro the pig is worth. Another problem is that goods and services usually do not have a lasting value. They cannot be saved for a long time and retain their value. A man's pig would eventually grow old and die, or the taro would rot.

Barter does not work in a complex society since barter is dependent on a double coincidence of wants. You have to want what I have and I have to want what you have before an exchange can take place. Barter also takes a lot of time.

DEFINITIONS

Barter — the exchange of one good or service for another without money

Scarcity — a limit to the supply of nature's resources or consumer goods in relation to producer's or consumer's desire for them

Opportunity Cost — the amount of goods and services that must be given up in order to obtain other goods and services

Trade-offs — giving up one item to gain another item

ACTIVITY - IHU'S EXCHANGE GAME

Instructional Objectives: Following this lesson, the students will be able to:

1. Relate the game simulation to a bartering activity.
2. Define the term "barter".
3. List the advantages or disadvantages of barter.

Procedure:

1. Select ten students to become game players. Direct the remaining students to place their desks around the game players in a fishbowl arrangement.

2. Supply each game player with an "Ihu Exchange" card. Each card represents an item or a service. Each card also provides the owner with simple directions. One card holder is dissatisfied with an item he or she owns, while the others are happy with what they have. The unhappy owner attempts to exchange a pig or taro. The remaining nine players will only trade the item they possess for the particular things stated on their cards.

   *Note: The teacher may want to choose an outgoing student for the dissatisfied owner, since this person is responsible for keeping the game moving.

3. Begin the first exchange round by allowing the unhappy owner to try to exchange his/her pig for the desired item, taro. The owner of the pig should first find out who has the taro and should then try to arrange an exchange. The owner of the taro should follow the instructions on the card and only trade the taro for bananas.

4. The teacher can suggest that the owner of the pig try to trade the pig for bananas in order to obtain the taro. Continue this procedure until the unhappy owner has finally received the item he or she really wants and all players are satisfied with the items they own, following the instructions on their cards.

5. At the end of the game, discuss the results of the activity:

a. What were the advantages and disadvantages of barter?
b. Why was barter used?
c. What is scarcity? What items were scarce?
d. What was the opportunity cost or trade-off of the items they exchanged?

IHU'S EXCHANGE CARDS

Pig -Dissatisfied Owner- Exchange your pig for taro	Coconuts -Satisfied Owner- Exchange only for fish
Taro -Satisfied Owner- Exchange only for bananas	Fish -Satisfied Owner- Exchange only for ti
Bananas -Satisfied Owner- Exchange only for kukui nuts	Ti -Satisfied Owner- Exchange only for hala
Paper Mulberry (Wauke) -Satisfied Owner- Exchange only for coconuts	Hala -Satisfied Owner- Exchange only for sweet potato
Kukui Nuts -Satisfied Owner- Exchange only for paper mulberry	Sweet Potato -Satisfied Owner- Exchange only for pig

ACTIVITY EPISODE IIB

ECONOMIC CONCEPTS: functions of money, characteristics of money, Consumer Price Index, value or purchasing power of the dollar

Before there was money, barter was the system used to trade goods and services. Bartering became more difficult as specialization and division of labor were introduced to subsistence economies. When Captain Cook arrived in Hawai'i, his sailors wanted the Hawaiian's pig, taro, and sweet potatoes. The big question was what could the sailors "barter" for these items. Since the Hawaiians did not have any iron, the nails that the sailors had became a valuable item for trade. Thus, nails were used as money.

What is money? Money can be anything that is accepted and can be used to buy goods and services. Throughout history different items such as shells, stones, beads, tobacco, fish hooks, nails as well as gold, silver and copper were used as money.

Money has three major functions: (1) a medium of exchange; (2) a measure of value; and (3) a store of value.

As a medium of exchange, money makes the trading of one thing for another much easier because everyone will readily accept money in return for the valuable thing he has to sell. Nails became a medium of exchange as Hawaiians traded their products for nails. Money as a measure of value sets definite prices on all exchangeable goods and services according to the unit of money used by the people. In the initial exchanges between the Hawaiians and the sailors, the value of one nail was two pigs. As more exchanges took place, the value of the nail decreased so that the value (price) of the pig would perhaps be set at ten nails. Money is a store of value because it can be set aside and provides a way for people to save for future needs. Nails did not function as a store of value since it was used as "money" only between cultures; it was not used within the Hawaiian community.

The characteristics of money are: (1) easy to carry around; (2) easily divisible; and (3) generally accepted.

The value of money or its purchasing power can increase or decrease. When the purchasing power of the dollar is falling, the period is referred to as inflation. When the purchasing power of the dollar is rising, the period is referred to as deflation. The United States Bureau of Labor Statistics calculates the purchasing power of the dollar through a series of index numbers called the Consumer Price Index, commonly called the CPI.

DEFINITIONS

Money — anything that is generally accepted in payment for goods and services

Consumer Price Index — a measure of changes in the cost of living or a measure of the rate at which prices are rising

Real Income — amount of goods or services a person can actually buy with his or her income

ACTIVITY - WHAT IS MONEY?

Instructional Objectives: Following the lesson the students will be able to:

1. Define the term "money".
2. List and describe the three functions of money.
3. List and describe the three characteristics of money.
4. Define the term "consumer price index".
5. Distinguish between current and real dollars.
6. Compute the purchasing power of the dollar given the CPI of a given year.

Procedure:

1. Describe to students the uses of money as compared to a system of barter.

2. Describe to students the three functions of money with examples to explain the function.

3. Describe to students the three characteristics of money with examples to explain the characteristics.

4. Describe to students the Consumer Price Index and how it determines the purchasing power of the dollar.

   a. The CPI measures the purchasing power of the dollar for consumers. In considering purchasing power, it is important to distinguish between <u>real income</u> and <u>income in current dollars</u>. Income in current dollars is the actual amount of money that an individual receives in salary. Real income refers to the purchasing power of that income in terms of prices compared to those of a base period.

b. An index number shows the percentage change from the base. The base is usually made equal to 100. Thus, a CPI number of 167 would indicate that consumer prices had increased by 67 percent since the base year (1967). Similarly, a CPI number of 82 would indicate a decrease of 18 percent since 1967.

c. Use Chart I to convert current dollars to real income. Discuss results in terms of the purchasing power of the dollar.

d. Have students complete Senior Prom Worksheet. Discuss results in terms of the purchasing power of the dollar.

CHART 1

CONVERTING TO REAL INCOME

YEAR	INCOME (in current dollars)	CPI* (1968 = 100)	REAL INCOME
1967	$12,000	100	$12,000
1980	$20,000	246.8	$8,108
1982	$21,000	289.1	?
1984	$25,000	311.1	?
1986	$30,000	328.4	?

$$\frac{\text{Income in Current Dollars}}{\text{Current CPI}} \times 100 = \text{Real Income}$$

The following proportion shows how the real income is determined for 1980.

$$\frac{20{,}000}{246.8} \times 100 = N$$

$$81.03 \times 100 = N$$

$$8103 = N$$

Based on the data above, the person was worse off with his 1980 income, since in terms of 1967 dollars he could buy $8,108 work of goods whereas in 1967 he could buy $12,000 worth of goods. Was he financially better or worse off in 1982? In 1984? In 1986?

*Source: The Economic Report to the President

SENIOR PROM WORKSHEET

Each year, students look forward to attending their Senior Prom. Like most goods and services, the price for the prom bids also increase. Below is listed the CPI for the years 1980-86. Let's say that in 1967, the Senior Prom bid cost $15. Are prices for prom bids in 1982, 1984, and 1986 a bargain compared to the cost of the prom bid in 1967?

YEAR	CPI*	COST OF PROM BID		BARGAIN?
1967	100	$15.00		
1980	246.8	$35.00	($14.18)	yes
1982	289.1	$45.00		?
1984	311.1	$50.00		?
1986	328.4	$55.00		?

$$\frac{\text{Current Cost}}{\text{Current CPI}} \times 100 = N$$

The following proportion shows how to determine the value of the prom bid in terms of 1967 dollars.

$$\frac{\$35}{246.8} \times 100 = N$$

$$.1418 \times 100 = N$$

$$\$14.18 = N$$

ANSWERS:

Year	Amount	Bargain?
1982	_____	_____
1984	_____	_____
1986	_____	_____

ANSWERS

CONVERTING TO REAL INCOME

1982	$7,263	worse off
1984	$8,036	worse off
1986	$9,135	worse off

SENIOR PROM WORKSHEET

1982	$15.56	no
1984	$16.07	no
1986	$16.74	no

EPISODE III. "Fur Trade and Sandalwood" or "Ihu Nui's Revenge"

The purpose of this episode is to describe the economic changes which were brought about in Hawai'i as a result of sustained contact with the outside world, from 1785 - 1840.

OBJECTIVES

The main point here is that in the early 1800's, Hawai'i began shifting from a closed, self-sufficient economy to a more open economy which emphasized exports of diversified agricultural products and sandalwood. The money and goods with which foreigners paid for food and sandalwood went mostly to the ali'i. As before, the common people did most of the work, but received few of the rewards.

ANSWERS TO EPISODE III QUESTIONS

1. Foreign ships stopped in Hawai'i for fresh food, firewood, water, recreation, and ship repairs. After the discovery that sandalwood grew in these islands, foreign ships stopped to load up with this rare, fragrant wood product, which they sold or traded in China.

2. Foreign ships gave the Hawaiians seeds and taught them how to cultivate new crops in hopes that the Hawaiians would start growing fruits and vegetables that the haoles liked — things like cabbage, onions, corn, and potatoes.

3. Sandalwood was valuable because it was in short supply throughout the world, and in high demand in places like China. It was used to make idols, boxes, carvings, medicines, and incense. The best thing about it was its fragrant aroma!

4. The sandalwood trade cost the early Hawaiians quite a lot. Labor resources used to harvest sandalwood could not be used to grow crops. Therefore, the Hawaiians had to forego a significant quantity of agricultural production during the years of sandalwood trading. In addition, many Hawaiians died as a result of working long months in the damp mountains. The benefits from sandalwood — profits earned from the sale of the sandalwood to the foreigners — went only to the ali'i.

ACTIVITY EPISODE III

ECONOMIC CONCEPTS: trade, comparative advantage, cost vs benefit, trade-offs, supply, demand, surplus, shortage

When ship captains discovered sandalwood in Hawai'i, a new item of trade was introduced. Sandalwood was demanded in the Orient and Hawai'i could supply that which was demanded. As a result trade of sandalwood for Western goods increased in Hawai'i.

Trade increases when people specialize in the production of one good or service. Through trade, people are able to obtain things they need from people who specialize in what they do best. Trade allows everyone to have more goods and services than self sufficiency would.

With sandalwood growing abundantly in the mountains, the availability of labor, coupled with Hawaii's location allowed her to have a comparative advantage in supplying sandalwood to the Orient. To determine how much sandalwood needed to be cut was determined by the demand of the product. Demand and supply of sandalwood were factors in setting the value or price of the product.

Prices of a product are set by the forces of demand and supply. Demand of a product reflects the behavior of the consumers. It shows the relationship between price and quantity demanded (Qd). Price serves three functions: (1) aid in decision making; gives individuals an idea of the value of a good on the market, (2) rations scarce resources to those more willing and able to pay, and (3) signals change. Supply of a product reflects the behavior of producers. It shows the relationship between price and quantity supplied (Qs). Profits serve three functions: (1) signals resources to their most valued use, (2) provides incentive for innovation, and (3) rewards efficiency.

DEFINITIONS

Law of Demand: As the price of a product decreases, a larger quantity of that product will be bought, and vice versa.

Law of Supply: As the price of a product increases, a larger quantity of that product will be supplied, and vice versa.

Comparative Advantage -- ability of a country to produce a product at a lower opportunity cost than another country

Shortage — the amount demanded is less than the amount supplied; prices will tend to increase

Surplus — the amount supplied that is more than the amount demanded; prices will tend to decrease

Equilibrium Price — price for a product at which the amount producers are willing to supply is equal to the amount people are willing and able to buy; on a graph it is located where the supply and demand curves meet.

ACTIVITY -WHAT DOES SUPPLY AND DEMAND TELL US?

Instructional Objectives: Following the lesson the students will be able to:

1. Define and give examples of the following terms: Law of Demand, Law of Supply, comparative advantage
2. Complete a demand and supply graph from a given set of data.
3. Identify the areas of shortage and surplus in graph.

Procedure:

1. Ask the students "How does a consumer react when the price of good is reduced?" Write the responses on the board.

2. Ask the students to put themselves in the role of a producer. Then pose the question, "Are you willing to produce more or less of product if the price of the product is reduced?" Write the responses on the board.

3. Compare the responses on the consumer and producer that have been placed on the board. Discuss with the students the differences between the two and the reasons for the differences.

4. Define the Law of Supply and Law of Demand to students.

5. Discuss how supply and demand affect the prices of goods in the marketplace.

6. Have students give examples how their purchasing decisions are based on supply and demand.

7. Hand out the chart "Demand/Supply Schedule of Record Albums". Go through the steps of plotting the data on the chart with the class. It's a good idea to have a transparency made of the chart, so that the entire class can do it together.

8. After completing the graph, explain the area of shortage and surplus and what is the expected market behavior in those situations.

9. Hand out the chart "Price for a Bento Lunch". Have students complete the graph.

10. Go over the completed graph with the students

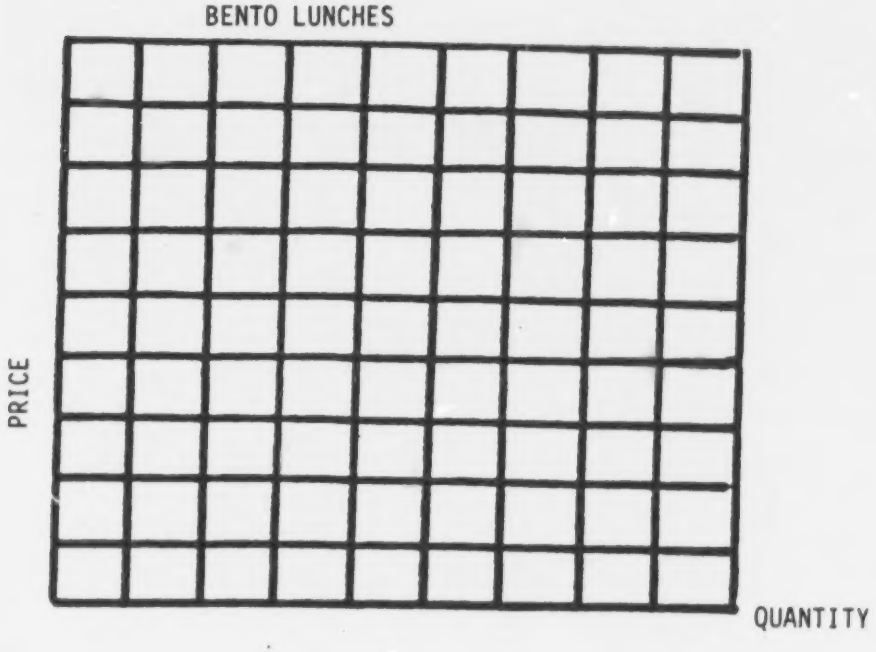
DEMAND AND SUPPLY SCHEDULE FOR RECORD ALBUMS

Price per Record Album	Quantity Demanded (in thousands)	Quantity Supplied (in thousands)
$4.00	5	1
$6.00	4	2
$8.00	3	3
$10.00	2	4
$12.00	1	5

1. What is the equilibrium price for albums?
2. What will happen in the market if the price is set at $4.00?
3. What will happen in the market if the price is set at $12.00?

DEMAND AND SUPPLY SCHEDULE FOR BENTO LUNCHES

Price per Bento lunch	Quantity Demanded (in hundreds)	Quantity Supplied (in hundreds)
$1.00	7	1
$1.50	6	2
$2.00	5	3
$2.50	4	4
$3.00	3	5
$3.50	2	6
$4.00	1	7

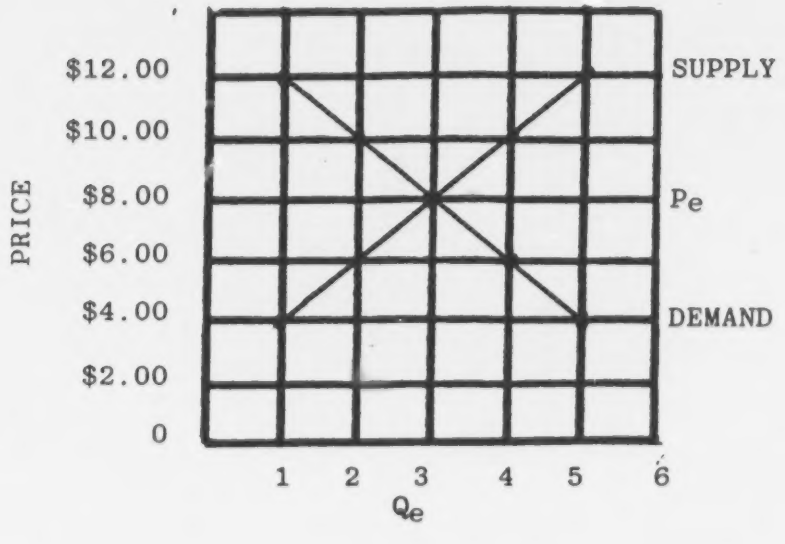


1. What is the equilibrium price for bento lunches?
2. What will happen in the market if the price is set at $2.00?
3. What will happen in the market if the price is set at $3.50?

DEMAND AND SUPPLY SCHEDULE FOR RECORD ALBUMS

Price per Record Album	Quantity Demanded (in thousands)	Quantity Supplied (in thousands)
$4.00	5	1
$6.00	4	2
$8.00	3	3
$10.00	2	4
$12.00	1	5

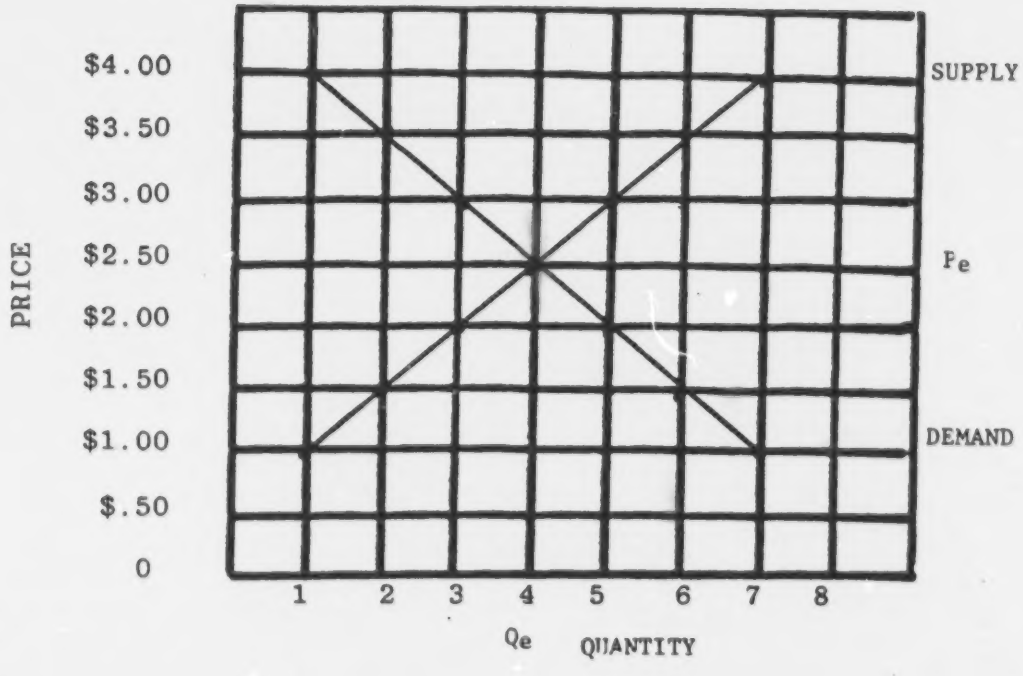
RECORD ALBUMS



1. What is the equilibrium price for albums?
2. What will happen in the market if the price is set at $4.00?
3. What will happen in the market if the price is set at $12.00?

DEMAND AND SUPPLY SCHEDULE FOR BENTO LUNCHES

Price per Bento lunch	Quantity Demanded (in hundreds)	Quantity Supplied (in hundreds)
$1.00	7	1
$1.50	6	2
$2.00	5	3
$2.50	4	4
$3.00	3	5
$3.50	2	6
$4.00	1	7



1. What is the equilibrium price for bento lunches?
2. What will happen in the market if the price is set at $2.00?
3. What will happen in the market if the price is set at $3.50?

ANSWERS

RECORD ALBUMS:

1. $8.00

2. There will be a shortage of record albums. Since the quantity demanded is greater than quantity supplied, the price of record albums will tend to increase.

3. There will be a surplus of record albums. Since the quantity supplied is greater than quantity demanded, the price of record albums will tend to decrease.

BENTO LUNCHES:

1. $2.50

2. There will be shortage of bento lunches. Since the quantity demanded is greater than quantity supplied, the price of bento lunches will tend to increase.

3. There will be a surplus of bento lunches. Since the quantity supplied is greater than quantity demanded, the price of bento lunches will tend to decrease.

EPISODE IV. "Ihu Nui Goes Whaling"

This episode describes how whaling trade, which flourished in the Hawaiian Islands between the 1820's and 1860's, affected the economic and social climate of Hawai'i.

OBJECTIVES

After reading this episode, students should be able to:

1. Explain how the whaling trade affected the economy of Hawai'i in the 19th century.
2. Describe at least two lasting social and/or economic consequences of the whaling trade in Hawai'i.
3. State the approximate dates between which the whaling trade following the American Civil War.
4. Explain the reasons behind the decline of the whaling trade following the American Civil War.

OTHER RESOURCES

For more background on the whaling trade, read the section entitled "Whales" in Gavan Daws' Shoal of Time. It's only four pages long, but gives an excellent overview of the whaling trade in Hawai'i.

FOR THE TEACHER

The whaling trade, which began in about 1820 and lasted until after the American Civil War, had a profound impact on Hawai'i. The large number of whaling ships that put into Hawaiian ports meant lots of money. The wages of native seamen, fees of local prostitutes, profits on the sale of supplies, commissions on the trans-shipment of oil and whale bone from Hawai'i to the mainland U.S., and returns on all sorts of services from ship chartering to boarding house keeping made whaling an important industry. Diversified agriculture in particular was encouraged, as whalers sought to purchase fresh provisions to sustain them on their long voyages.

These economic benefits, however, were accompanied by significant social costs as sustained contact with foreigners contributed to the breakdown of Hawaiian culture.

The decline of the whaling trade was due primarily to the depletion of the supply of whales in the Pacific. Its demise, however, was hastened by a confederate raiding ship called SHENANDOAH which destroyed a large number of Yankee whaling ships during the Civil War.

The destruction of Ihu Nui's ship JEZEBEL is based on an actual event which occurred in 1871. Thirty-three whaling ships were trapped in ice floes north of Bering Strait in the Arctic and ground to pieces. The crew escaped in the same manner as did Ihu Nui and his shipmates.

ANSWERS TO EPISODE IV QUESTIONS

1. Aside from love of adventure, desire to see the outside world and their great voyaging traditions, most Hawaiians joined the crew of Yankee whalers for the money (wages).

2. Whaling vessels stopped in Hawai'i for fresh provisions (food and fresh water) and for repairs. This gave stimulus to diversified industries such as agriculture, hardware stores, carpenters, sailmakers. While in port the sailors wanted some fun and excitement, thus encouraging saloons, prostitution, boarding houses and cafes to flourish.

3. The main reason for the decline of the whaling trade after 1860 was the fact that whales were getting harder and harder to find necessitating longer and costlier voyages and reducing the profitability of whaling.

   Petroleum was discovered in Pennsylvania in 1859 and soon became a substitute for whale oil, but the main reason for the decline in whaling lay in the shrinking supply of whales.

4. Sustained contact with foreigners encouraged many Hawaiians to abandon their old ways. Many Hawaiians, attracted by new opportunities for cash-paying jobs, moved from their villages into the growing towns like Honolulu and Lahaina.

   We'll leave discussion of whether this was good or bad to you and your students. Some extra research on the part of your students may be in order.

ACTIVITY EPISODE IV

ECONOMIC CONCEPTS: supply, demand, determinants of supply, determinants of demand, shifts in supply or demand curve

In Episode III and Episode IV, sandalwood and whaling industries were introduced. Both of these industries were not sustained for a long period of time due to changes in the supply of and demand for these products.

Both the sandalwood and whaling trade came to an end due to a depletion of supply which was largely a result of over- exploitation. When a resource is owned in common, there is a tendency for it to be overused. No one individual takes an interest in preserving it.

Following the death of Kamehameha I who had a royal monopoly on sandalwood, King Liholiho allowed the chiefs to sell the wood on their own accounts. Eager to obtain western goods, the chiefs signed large promissory notes for sandalwood. Under coercion to pay off these notes, chiefs often sent entire villages of men into the mountains to gather the wood, diminishing the supply of sandalwood.

The primary causes of the decline of whaling were the scarcity of whales near Hawai'i, the discovery of new whale grounds further north, and the growth of San Francisco as a natural shipping point of whale oil to the eastern market. Whaling become an increasingly costly and risky enterprise.

Supply and demand affect prices; however, in the "real" world, prices are really determined by the underlying forces of supply and demand. These forces are called determinants.

Determinants of demand are factors that determine how much of a good or service will be purchased. These determinants are related to how people feel about items they buy and these feelings determine how much of good or service that they desire to purchase. As people's feelings change, the overall level of demand may increase or decrease. People may buy more or less of a product because of changes in their perceptions of a product even though the producer's price may not change.

Determinants of supply are the factors that determine how much a good or service that a firm is willing to produce. Anything that changes the costs of production or the availability of inputs causes the supply relationship to change. Producers are willing to produce more if the prices (profits) they receive for their products are high.

Changes in supply or demand are reflected by a shift in the supply or demand curve. A new supply or demand curve indicates the change. To indicate an increase, a new curve is drawn to the right of the original curve. To indicate a decrease, a new curve is drawn to the left of the original curve.

DETERMINANTS

DEMAND: (1) Tastes, (2) Number of buyers, (3) Price and availability of substitutes or complements, (4) Consumer's income, (5) Expectations, (6) Quality of the product

SUPPLY: (1) Price of inputs (cost of production), (2) Technology, (3) Number of sellers, (4) Import tariffs or other input restrictions

Note: There are various other names for these determinants.

DEFINITION

Common property — a resource that is owned in common by "everyone" and, as a result, owned by no one in particular

ACTIVITY -- WHAT MAKES THE SUPPLY OR DEMAND CURVE SHIFT?

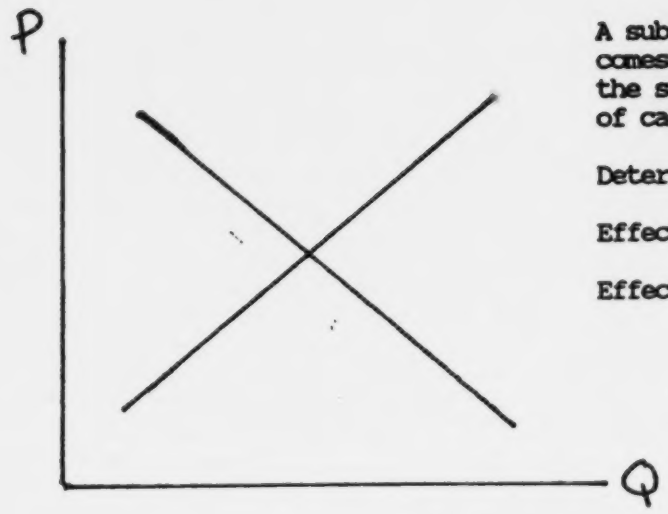
Instructional Objectives: Following the lesson, the students will be able to:

1. Specify whether or not a determinant of supply or demand has changed.
2. Name specific determinant involved in a given situation.
3. Predict the effect of change in determinant on both equilibrium price and quantity.
4. Show the direction of change by shifting the proper curve in the appropriate direction.

Procedure:

1. Conduct a brief review of the basic of supply and demand. Remind the students of the distinction between changes in supply or demand and the changes in quantity demanded or supplied.
2. Review the determinants of supply and demand. Give examples for each of the determinants.
3. Illustrate the shifts in the curve(s) by using the example provided.
4. Hand out worksheet. Instruct students to read each situation, specify the determinant involved, shift the curve in the proper direction, then specify the effect on equilibrium price and quantity.
5. Review the answers with the students.

KONA COFFEE



KONA COFFEE

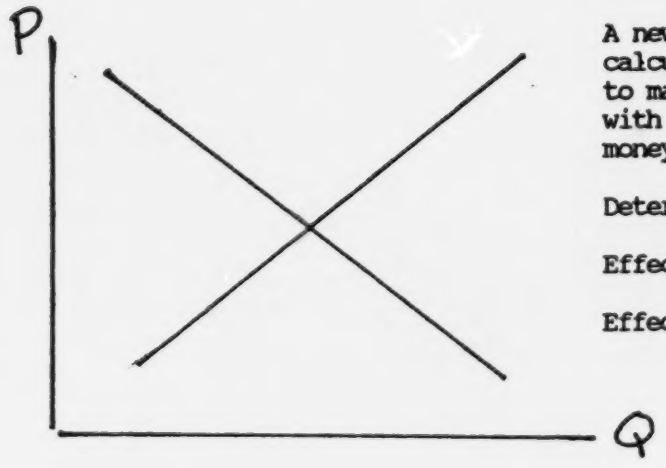
A substitute for Kona coffee comes on the market. It has the same taste, but is free of caffeine.

Determinant _____

Effect on Pe_____

Effect on Qe_____

CALCULATORS



CALCULATORS

A newmethod of manufacturing calculators enables a company to make smaller calculators with more functions for less money.

Determinant_____

Effect on Pe_____

Effect on Qe_____

SANDALWOOD AND WHALING WORKSHEET

1. Draw the "typical" supply and demand curve. Be sure to label all the parts.

2. Sandalwood Situation 1:

   a. Kapu lifted on sandalwood by Liholiho.
   b. Chiefs enjoy the use and want more Western goods.
   c. More commoners are used to harvest sandalwood.

   Knowing these facts, would the supply or demand curve change? Why? Draw in the appropriate curve. Be sure to label all the parts.

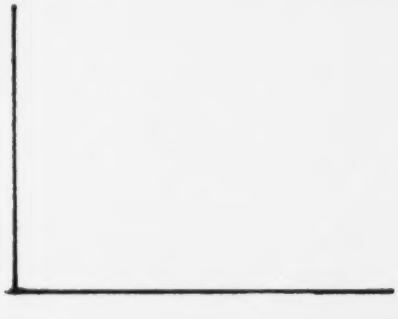
Determinant_____

Effect on Pe_____

Effect on Qe_____

3. Sandalwood Situation 2:

   Some Hawaiian sandalwood was found to be "false sandalwood". Knowing this, would the supply or demand curve change? Why? Draw in the appropriate curve. Be sure to label all the parts.



3. Whaling Situation 1:

   a. More time at sea needed to catch whales
   b. Scarcity of whales

   Knowing these facts, would the supply or demand curve change? Why? Draw in the appropriate curve. Be sure to label all the parts.

Determinant_____

Effect on Pe_____

Effect on Qe_____

4. Whaling Situation 2:

   a. California being settled; provides services that Hawaii gave to whalers

   Knowing these facts, which curve would shift? Draw in the appropriate curve. Be sure to label all parts.

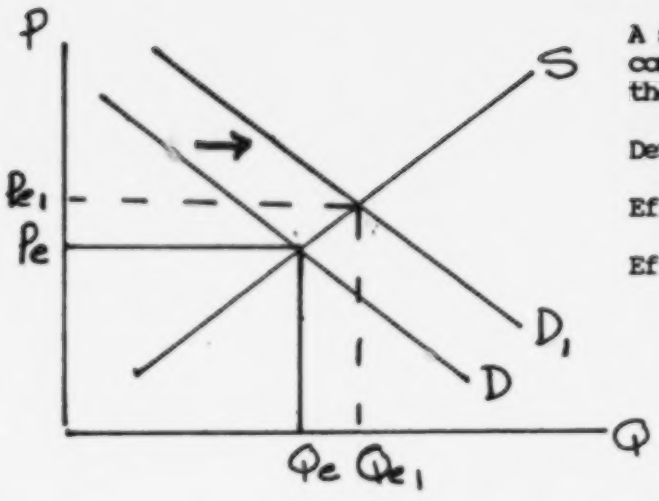
Determinant_____

Effect on Pe_____

Effect on Qe_____

ANSWERS

KONA COFFEE



KONA COFFEE

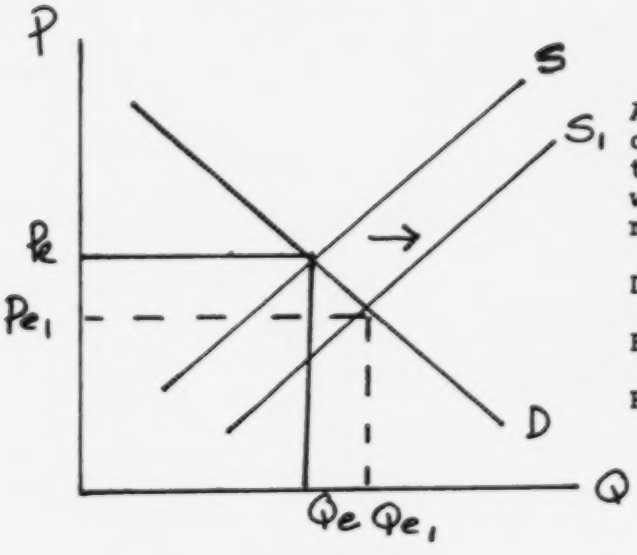
A substitute for Kona coffee comes on the market and has the same taste.

Determinant Substitute

Effect on Pe increase

Effect on Qe increase

CALCULATORS



CALCULATORS

A new method of manufacturing calculators enables a company to make smaller calculators with more functions for less money.

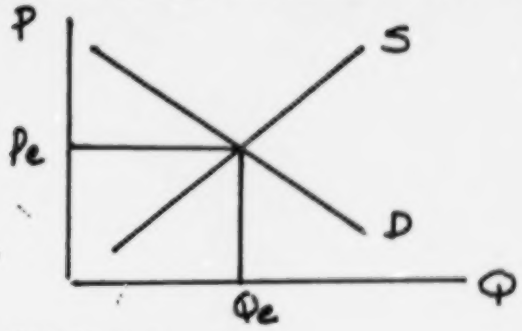
Determinant technology

Effect on Pe decrease

Effect on Qe increase

SANDALWOOD AND WHALING WORKSHEET

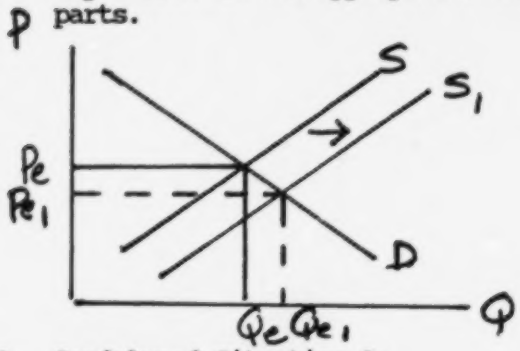
1. Draw the "typical" supply and demand curve. Be sure to label all the parts.



2. Sandalwood Situation 1:

   a. Kapu lifted on sandalwood by Liholiho.
   b. Chiefs enjoy the use and want more Western goods.
   c. More commoners are used to harvest sandalwood.

   Knowing these facts, would the supply or demand curve change? Why? Draw in the appropriate curve. Be sure to label all the parts.



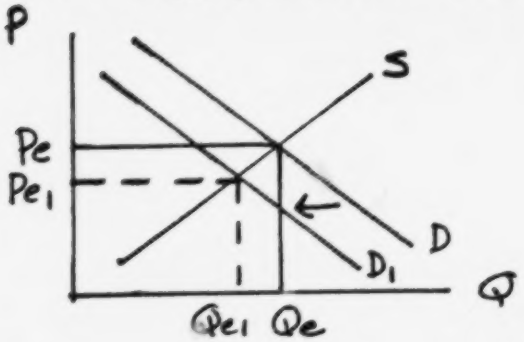
Determinant Price of inputs

Effect on Pe decrease

Effect on Qe increase

3. Sandalwood Situation 2:

   Some Hawaiian sandalwood was found to be "false sandalwood". Knowing this, would the supply or demand curve change? Why? Draw in the appropriate curve. Be sure to label all the parts.



Determinant Quality of product

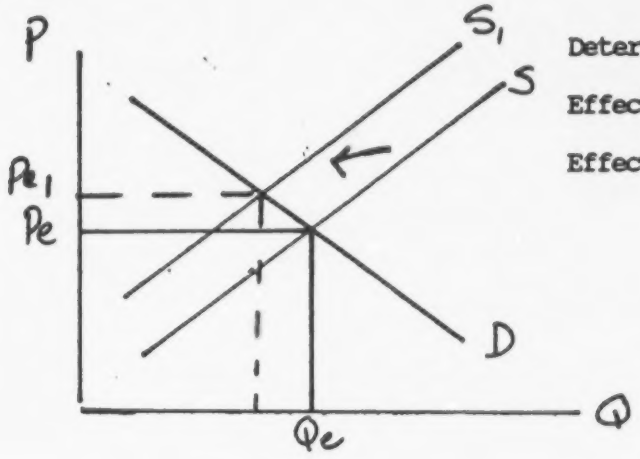
Effect on Pe decrease

Effect on Qe decrease

3. Whaling Situation 1:

a. More time at sea needed to catch whales
b. Scarcity of whales

Knowing these facts, would the supply or demand curve change? Why? Draw in the appropriate curve. Be sure to label all the parts.



Determinant Cost of inputs

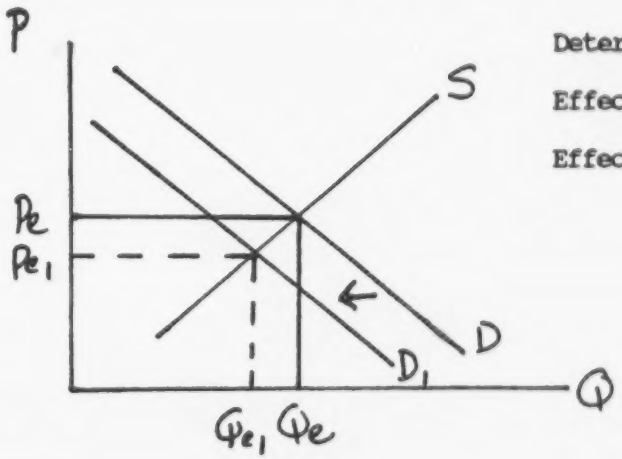
Effect on Pe increase

Effect on Qe decrease

4. Whaling Situation 2:

a. California being settled; provides services that Hawaii gave to whalers

Knowing these facts, which curve would shift? Draw in the appropriate curve. Be sure to label all parts.



Determinant Availability of substitute

Effect on Pe decrease

Effect on Qe decrease

EPISODE V. "The Great Māhele"

This episode touches briefly on the Great Māhele of 1848, which legally divided up all the land in Hawai'i and ultimately gave fee simple ownership to chiefs, foreigners, and commoners.

OBJECTIVES

After reading this episode, students should be able to:

1. Explain what the Great Māhele was.
2. Explain why the common Hawaiians failed to benefit from the Great Mahele.
3. Discuss pros and cons of the Great Māhele.

ANSWER TO EPISODE V QUESTIONS

1. The Great Māhele of 1848 legally divided up all the land in Hawai'i and gave fee simple ownership to chiefs, foreigners, and commoners.
2. Most of the land went to the chiefs. The second largest quantity of land went to the government, which had been established under the Constitution of 1840.
3. Most of the commoners sold their land to haole businessmen at very low prices.
4. Many of your students will decide that the Great Māhele was a bad thing because of the fact that the Hawaiian commoners got "ripped off". Some good did come from the Mahele, however. Haole businessmen, once they felt secure in legal ownership of land, invested more and more money in Hawai'i. Without the Mahele, for example, it is doubtful that the sugar industry could have gotten off the ground.

ACTIVITY EPISODE V

ECONOMIC CONCEPTS: scarcity, cost benefit analysis, opportunity cost

At the time of the Great Māhele, the population of Hawai'i was 90,300*. The largest percentage of land belonged to the King and the ali'i. Decisions on how the land was to be used rested in the hands of a few. This was evidenced by how the resource of land was used in the sandalwood industry. In 1986, the population of the state of Hawai'i was 1,062,644** an increase of 1076 percent. In simple terms, this means that there are nearly 1076 percent more people living on the same amount of land. Through the years, the resource of land has not grown appreciably except for a few acres of new "land" on the island of Hawai'i as a result of recent lava flows. However, the population has grown, thus making decisions of how best to use the scarce resource (land) more difficult.

In Hawai'i land is scarce. Scarcity forces people to make choices about how they will use their limited resources. These choices affect not only how people live today, but also how people will live in the future. When making decisions about choices involving land use, a cost benefit analysis should be made. Land use laws or policies must take into account the costs and benefits for our diverse population.

DEFINITIONS

Cost benefit analysis -- a process by which we compare the cost of an action with the benefits to be derived

Scarcity -- condition in which people do not have enough resources to satisfy their every desire

*Source: Schmitt, Robert. Historical Statistics of Hawaii

**Source: The State of Hawaii, Data Book, 1986

ACTIVITY - THE CHOICE IS YOURS

Instructional Objectives: Following the lesson the students will be able to:

1. Define the term " scarcity" as it relates to land in Hawai'i.
2. Determine the cost or benefit to specific groups of any given action.
3. Become aware of the influence of values on economic choices.

Procedure:

1. Show the students either on a transparency or on the board the statistics on Chart 1 Land Distribution.
2. Discuss with the class the ownership percentages of the Great Mahele to the ownership percentages of the land today. Have students compare the similarities and differences.
   a. What has happened to land ownership in Hawai'i?
   b. Why do you think it happened?
   c. Do to think there will be any significant changes in the percentage of ownership in 1985 to the year 2000?
3. On the board, write the words "cost-benefit analysis". Ask the class to consider the cost or benefit to the ali'i class and to the maka'ainana (commoners). Discuss the cost and benefits to each of the groups. Remind the class that in every economic action there are winners and losers; however, the actions that have negative results that affect the least numbers of people is usually considered best.
4. Divide the class into groups.
5. Distribute worksheet, "The Choice Is Yours." Go over the instructions. Students are asked to work in groups to simulate a "real" life situation. Each group is to come to a consensus on the best action to take in each situation.
6. Have a representative from each group report to the class the reasons for the decisions.

7. Conclude the lesson by telling the students how law and policy makers must consider cost-benefit analysis in making their decisions.

   a. How did your group come to its decision?
   b. What does this exercise tell you about the other people's ideas concerning the cost(s) and benefit(s) of the decision?
   c. Is there one correct or wrong answer?
   d. How did one's values influence the decision?

8. Optional Activity: Have students construct a pie graph on the data from Chart 1 Land Distribution.

CHART 1 LAND DISTRIBUTION

GREAT MAHELE*		1986**	
Crown Lands (for King's use)	60.3%	Federal Gov't	8.4%
Government Lands		State Gov't	29.3%
Chiefs' Lands	38.8%	County Gov't	.4%
Lands Granted to Commoners	.9%	Private	61.9%

Note: In 1986, six large land owners held 52.3 of all private lands. They are, according to the amount of land they hold:

1. Bishop Estate
2. Parker Ranch
3. Castle and Cooke
4. C. Brewer
5. Samuel M. Damon Estate
6. Alexander & Baldwin

*Source: Kelly, Marion and Kehau Lee. Stories of Hawaii

**Source: The State of Hawaii, Data Book, 1986

THE CHOICE IS YOURS WORKSHEET

Suggested situations:

1. Should part of the Ala Wai Golf Course be converted to a Convention Center?
2. Should a golf course to developed in Maunawili Valley?
3. Should part of Fort DeRussy land be sold to private developers for a Convention Center?
4. Should Waiola Estates be converted to residential zoning?
5. Should a housing development be constructed on lands across from Sandy Beach?

Note: As new controversial land issues arise, use those situations for the worksheet.

The Choice is Yours . . .

DIRECTIONS : Read the situation listed below. Determine the benefit(s) and cost(s) of each. Fill in the column labeled "Benefit" and "Cost". If you think that the benefit(s) are greater than the cost(s), place a * in that column. If you think that the cost(s) exceed the benefit(s), place a * in that column. Add two examples of your own.

SITUATION	BENEFITS	COSTS	ACTION CHOSEN
	(1) (2)	(1) (2)	
	(1) (2)	(1) (2)	
	(1) (2)	(1) (2)	

EPISODE VI. "The Sweetest Episode"

This episode is meant to give students an overview of the kinds of problems faced by the newly-established Hawaiian sugar industry and the various measures undertaken by the industry to solve its early problems.

OBJECTIVES

After reading this episode, students should be able to:

1. Cite some of the problems that the early sugar growers had to overcome before the Hawaiian sugar industry became profitable.

2. Explain how the sugar industry solved the problem of labor shortages during the nineteenth century.

3. Cite at least two or three historical events that had special significance for the Hawaiian sugar industry in the 19th century.

ANSWERS TO EPISODE VI QUESTIONS

1. Problems faced by the early sugar growers included labor scarcity, high U.S. duties on Hawaiian sugar, and a shortage of financial capital. Finding suitable land was an early problem too. The Great Māhele, in 1848, helped the fledging sugar industry by allowing for private ownership of land.

2. Countries from which labor was recruited to work in the Hawaiian sugar industry included China, Japan, Portugal, the Philippines, and Spain.

3. The American Civil War helped the Hawaiian sugar industry. Northern blockades of southern ports cut off the supply of Louisiana sugar and led to spectacular increases in sugar prices. These high prices provided an incentive to the Hawaiian sugar growers.

4. The Reciprocity Treaty (1876) allowed Hawaiian sugar to be imported into the U.S. duty free — a big help!

5. The production year in which the total sugar production in Hawai'i went above 1 million tons for the first time was 1930-1931.

6. 1966 (1,234,121 tons)
   1968 (1,232,182 tons)
   1971 (1,229,976 tons)

7. The three years, since 1935, in which cane production was lowest are:

   1946 (680,073 tons)
   1958 (764,953 tons)
   1945 (821,216 tons)

   Part of the decline in 1946 was due to a 79-day strike by workers on 33 sugar plantations. The dip in production in 1958 was due to a four-month-long sugar strike.

8. The number of acres in Hawai'i allocated to the growing of sugar cane has decreased since 1969.

ACTIVITY EPISODE VI

ECONOMIC CONCEPTS: resources (land, labor, capital), intensity, single-industry economy

As mentioned earlier, there are three resources meant to satisfy human wants: land, labor, and capital. These three resources may also be defined as productive resources when they are used to make other things. So a land resource like water can be a productive resource when used to irrigate the sugar crop.

The use of these resources is determined by the entrepreneur in answering the HOW question of production. This is the concept of intensity by which the entrepreneur decides to use the combination of resources that will minimize cost of production. If land is relatively cheap, the production will center around land resources. In Ihu Nui, with cheap labor, sugar was a labor-intensive industry in its early years.

However, as important an industry as sugar has been, it has shown the one weakness that has plagued Hawaii's economy, the domination of Hawaii's marketplace by a single industry. Historically, trading was replaced by sandalwood, by whaling, by sugar, and then by tourism. Recent administrations have sought to diversify Hawaii's economy but have found this a most difficult task.

DEFINITIONS

Entrepreneur — the business person; the risk-taker.

Intensity — the dependence on one of the three productive resources in answering the HOW question of production.

ACTIVITY - LET'S START AN INDUSTRY

Instructional Objectives: Following this lesson, the students will be be able to:

1. Complete an outline detailing the start of the sugar industry.
2. Recall the relationship of the three productive resources in the sugar industry.
3. Apply the above mentioned resources to other industries.
4. Follow an outline format.

Procedures:

1. Distribute the worksheet to the students.
2. Allow the students fifteen (15) minutes to fill in the outline.
3. After that, go over the outline with the students. Have the students respond in completing the outline before giving any answers.
4. Summarize activity emphasizing the interrelated nature of the three productive resources and how the entrepreneur had to bring together all three resources in creating the successful sugar industry.

Name: _____

LET'S START AN INDUSTRY

An entrepreneur needs to acquire productive resources before an industry can get started. The Hawaiian sugar industry is a good study of how the entrepreneur needed to acquire all three resources to have a successful industry. Below is a prepared outline — complete the outline with prior information you may have obtained in other courses and with clues provided.

I. LAND (gifts of nature)

A. Pre-Cook concept of land:

B. The Constitution of _____: the first statement that the King was only the manager of the land.

C. Kamehameha III in 1848:

1. The Great Māhele

2. Kuleana Acts

D. The foreigners were given rights to land ownership in _____ (year)

II. LABOR (human effort) — an adequate and cheap labor supply needed

A. Fellow Pacific Islanders like G_ _ _ _ _ _ I_ _ _ _ _ _ _ s

B. First large wave from _____ where commercial contacts had been made through sandalwood.

C. The next group coming in as contract laborers was from _____, the land of the Rising Sun.

D. Another Asian group, with approximately 8,000, was from _____, Land of the Morning Calm.

E. White groups that were brought in were from P_ _ _ _ _ _ _, S_ _ _ _, R_ _ _ _ _, and G_ _ _ _ _ _.

F. The last group came in, not as contract laborers, but as free laborers after the Organic Act and was from The _____.

III. CAPITAL (man-made things)

A. Financial capital

1. Accumulated from

2. Investments came from

B. Reciprocity Act of 1876

C. Sugar cane itself came with the H_ _ _ _ _ _ _ _

And developed by:

D. Early innovations:

1. In the field:

2. In the mill:

ANSWERS FOR LET'S START AN INDUSTRY

I. LAND:

A. Pre-Cook concept of land: No one held hereditary rights to land. All persons held land for use at the discretion of the King and subject to dispossession at any time. Ownership rights were unknown in ancient Hawaii.

B. The Constitution of 1840: the first statement that the King was only the manager of the land.

C. Kamehameha III in 1848:

1. The Great Mähele: the inclusion of land tenure in Hawaii's policies. The Board of Commissioners To Quiet Land Titles was established to assist the government in the introduction of land ownership to Hawai'i.

2. Kuleana Acts: Native tenants who occupied their lands were entitled to claim for ownership in fee simple terms.

D. The foreigners were given rights to land ownership in 1850.

II. LABOR:

A. Fellow Pacific Islanders like Gilbert Islanders, but a failure.

B. First large wave from China where commercial contacts had been made through sandalwood.

C. The next group coming in as contract laborers was from Japan, the Land of the Rising Sun.

D. Another Asian group, with approximately 8,000, was from Korea, the Land of the Morning Calm.

E. White groups that were brought in were from Portugal, Spain, Russia, and Germany.

F. The last group came in, not as contract laborers, but as free laborers after the Organic Act and was from The Philippines.

III. CAPITAL

A. Financial capital

1. Accumulated from prior industries, especially from whaling and mercantile industries.

2. Investments from U.S. during Civil War and from external sources like Claus Spreckels.

B. Reciprocity Act of 1876: free entry into U.S. of 15 tropical items including sugar in exchange for free admittance of American goods like farm machinery.

C. Sugar Cane itself came with the Hawaiians. The most common hybrid came from Tahiti/Marquesas area. It was developed by Hawaii Sugar Planters' Association through its experiment stations.

D. Early innovations:

1. In the field:

a. burning of the cane
b. using irrigation

2. In the mill:

a. juice extracted from cane
b. centrifugal machine invented by D.M. Weston, separating sugar from molasses

EPISODE VII. "Pineapple"

This episode introduces students to the problems faced by the entrepreneurs who established the Hawaiian pineapple industry and shows how those problems were overcome.

OBJECTIVES

After reading this episode, students should be able to:

1. Describe the kinds of problems which the pineapple industry had to overcome in order to become a profitable industry.
2. Explain how the pineapple industry solved its early problems and became a profitable industry.
3. Cite a least one factor in the recent decline of the pineapple industry.

ANSWERS TO EPISODE VII QUESTIONS

1. Problems faced by the pineapple industry in its early years included a high duty on imports of Hawaiian pineapple into the U.S., a shortage of financial capital, technical problems associated with canning, and consumer acceptance of pineapple on the mainland U.S.
2. The problem of the high duty was overcome by Annexation — something the early pineapple growers fought hard for. Financial capital was raised by Dole and others who made long trips to the mainland, selling the potential of the Hawaiian pineapple industry to prospective investors. Canning problems were worked out by imaginative engineers — one of whom provided the pineapple industry with huge increases in productivity with his invention of the Ginaca machine (that's right, his name was Ginaca!) Consumer acceptance of pineapple was encouraged by extensive advertising.
3. The Ginaca machine greatly increased output per man hour in peeling and canning, thus lowering costs (and increasing wages).
4. Annexation was important because it put Hawai'i "inside" the U.S. — and inside the U.S. tariff structure. After annexation Hawaiian pineapple entered the U.S. duty-free.

5. Since 1935, the greatest quantity of pineapple and pineapple juice was produced in 1955-1956.

6. Total pineapple fruit and juice production in Hawai'i has declined significantly over the past ten years. This is due largely to the fact that pineapple is more expensive to grow in Hawai'i than overseas. More and more pineapple is being grown abroad by companies such as Dole and Del Monte.

ACTIVITY EPISODE VII

ECONOMIC CONCEPTS: Three questions of production, shifting supply/demand curves, competitive markets, competitive monopolies.

Every economy is established to answer the three questions of production. In this episode the creation of the pineapple industry provides an example of answering the three questions. Once James Dole decided to produce pineapple (WHAT TO PRODUCE), he had to answer the HOW TO PRODUCE question by combining land, labor, and capital resources in the most efficient manner. While initially depending on labor, Dole made the shift to a capital-intensive industry with the use of Ginaca machines. The FOR WHOM TO PRODUCE question was answered by advertising and marketing.

This episode includes a discussion on shifting supply/demand curves. In mechanizing his industry, Dole was willing to produce more and thus able to sell greater quantities of pineapples at a cheaper price, demonstrating a shift in supply due to technological advances. The advertising done by the pineapple industry created greater demand for pineapple, a shift in demand caused by a change in taste.

The pineapple industry is a good example of a monopolistically competitive market. The industry lacked the competitive nature of many sellers/buyers dealing independently, freely, and informatively in identical products; for the industry showed a monopolistic tendency, Hawaiians trying to attract more customers by making a better product, a Hawaiian pineapple.

DEFINITIONS

Competitive market -- a market with many sellers/buyers dealing independently, freely, and informatively in identical products.

Shifting supply/demand curves -- an increase or decrease in supply or demand caused by specific changes in the market.

ACTIVITY - TALK STORY

Instructional Objectives: Following this lesson, the student will be able to:

1. Compare present job skills with those of yesterday.
2. List about skills required for most entry-level jobs.

Procedures:

1. Distribute the reading to students
2. Have students read out loud.
3. Have them answer the questions following the reading.
4. Go over the answers with the students.
5. In discussion, ask students if they could have handled the jobs as described in the reading.
   Have them discuss the idea of an entry-level job.
   Have them generalize as to what skills are needed in entry-level jobs, as to what kind of pay they can expect in these kinds of jobs.
6. In these discussions, generalizations should be made about the similarities of these jobs, requiring very little training and few skills, about the low pay with very limited promotional opportunities.

PINEAPPLE READINGS

READING ONE

The card read, "Cook Department." What did I know about cooking? After checking out the locker room, I headed over to the Cook Department. It wasn't in the cafeteria; it was the middle of the cannery. It was the canning section. My job was to work the machine that topped the cans of juice with lids. I had to carry the boxes of lids from the storage area to the machine, pack the lids on the stacker, watch the cans come down the conveyor belt to be filled with juice, pull out any dented cans, and clear the reject tray. Since I was a rookie, I got the graveyard shift from 10:00 p.m. to 6:30 a.m. and had a half hour for my "lunch."

At first, I wasn't too good getting the dented cans before they were capped so my reject tray was always full, much to my luna's dismay. But I caught the hang of spotting the cans and pulling them before they were capped. The job was monotonous with no one to talk to since I had to be at the machine for the eight-hour shift, the only challenge being to get the boxes of lids to the machine. The other big event was clean-up once a week, using the steam hoses to clean the machinery. It added an hour to my work week.

I couldn't wait for the summer to end and get back to school. Never again. The next summer I got me an office job.

READING TWO

Someone peeked in the door and said, "Hey, Hawaii, Margie is cutting up a fresh pineapple. Wanna see?"

Sure I did. It had been months since I last worked a pineapple. I rushed over to Margie's room and watched. I couldn't stand her butchering the pineapple so I walked over to Margie and volunteered to show my college buddies how to cut a pineapple. They were duly impressed, and I was forever nicknamed "Pineapple Mary".

READING THREE

I worked five summers as a packer at CPC (Del Monte). After the pineapple was sized, cored, trimmed, and cleaned by the Ginanca machines and the trimmers, the pineapple came to our table. We had to grade the pineapple into choice and fancy and into other secondary grades. The worst pineapple got sent to the "crushed" section. We had to double check and discard rotten or "stinky pine". Our table rotated. One week I would be at the top of the line, the next at the back. Being at the top meant hard work, especially if the pineapple came rushing in. Thank goodness we had the troughs where we could store excess pine to work on later. Being at the back of the line meant "Easy Times", especially if the front gals were good.

QUESTIONS FOR READINGS

1. What skills were needed to work at the pineapple cannery?

2. How would you compare these skills with those required by teenagers working in fast food restaurants or service stations?

3. Do you think you would enjoy working in the pineapple cannery? Support your answer with selections from the readings.

ANSWERS:

1. & 2. Skills Needed.

Pineapple	Fast Food
1. cutting and trimming	1. learning to operate machines
2. good eye judgement	2. able to give out change
3. good physical coordination	3. good manual skills
4. some strength	4. working with co-workers
5. more responsibility	5. more responsibility
6. more physically demanding	6. more customer contact

EPISODE VIII "World War II"

This episode gives students an idea of the kinds of economic changes that took place in Hawai'i during the war years.

OBJECTIVES

After reading this episode, students should be able to:

1. Describe some of the changes that occurred in Hawai'i during World War II.

2. Described how changes in supply and demand can affect prices.

ANSWERS TO EPISODE VIII QUESTION

1. The population of Hawai'i doubled during World War II.

2. Shortages came about as demand for goods and services increased faster than supply.

3. a. supply of orchids falls - availability of inputs
   b. supply of fertilizer increases - availability inputs
   c. supply of lumber falls - availability inputs
   d. demand for manapua falls - taste change
   e. supply of goods falls - cost of inputs
   f. demand for land goes up - number of buyers

ACTIVITY - EPISODE VIII

ECONOMIC CONCEPTS: supply, demand, government regulation, price ceilings, economic freedom

During World War II, many economic changes took place in our nation since the war effort put a strain on our limited resources. The government was faced with the economic question of how best to allocate the nation's limited resources. In its effort to allocate the nation's limited resources in the most equitable way, the government rationed goods such as gasoline, automobile tires, and certain foods.

Overnight, the population of Hawai'i doubled as over 400,000 military personnel were stationed in Hawai'i. This caused a shortage of available and affordable housing. As a way to take care of this problem, the government implemented a rent control (price ceiling).

Rigid rent controls are used in a few American cities today. In the case of rent control, personal positions on this specific government regulation and intervention in the housing market often depend largely on whether one is a landlord or tenant, although other circumstances may also be influential. Both the short and long range consequences (costs) must be weighed in determining the merits of rent control.

DEFINITIONS

Price Ceiling — a legally imposed price that is below the equilibrium price. Price ceilings always result in shortages.

Economic Freedom — a characteristic of a market economy in which consumers and producers are free to choose what is in their own best interests as long as their decisions do not interfere with the rights of others.

ACTIVITY - THE COST OF RENT CONTROL

Instructional Objectives: Following this lesson, the students will be able to:

1. Describe rent control as a form of market regulation and intervention by the government.
2. Indicate the long-term effects of rent control.
3. Explain the impact of rent control on the supply and demand for rental properties.
4. Evaluate the worth of rent control in terms of the broad social goal of economic freedom.

Procedure:

1. Explain to the class that instead of having rents determined by supply and demand in the marketplace, the government can control the price through regulation — one form of which is rent control. Rent controls are likely to exist because the demand for rental units greatly exceeds the available supply.
2. Have students read the handouts, "Case Study: Rent Control in Santa Monica" and "Landlord's Unusual Response To Rent Controls Stirs Fight".
3. After the students have read the handouts discuss and clarify the following questions.
   a. Before the establishment of the rent control board, why would owning rental property in Santa Monica have been viewed as a favorable investment?
   b. Why was there no oversupply of housing units in Santa Monica despite a 10 percent growth in the housing stock between 1970 and 1980 while the population gain was only 25 people?
   c. Why were rents increasing so rapidly in Santa Monica?
   d. Why did the property tax cuts revive interest in rent control legislation?

e. Why and how was rent control imposed on the rental market in Santa Monica?

f. What reasons does the article give to explain why owners of rental housing did not lower rents when taxes were lowered?

g. How were rents determined by the rental control board?

h. If rent control were to be continued for 20 years in Santa Monica, how would it affect the following:

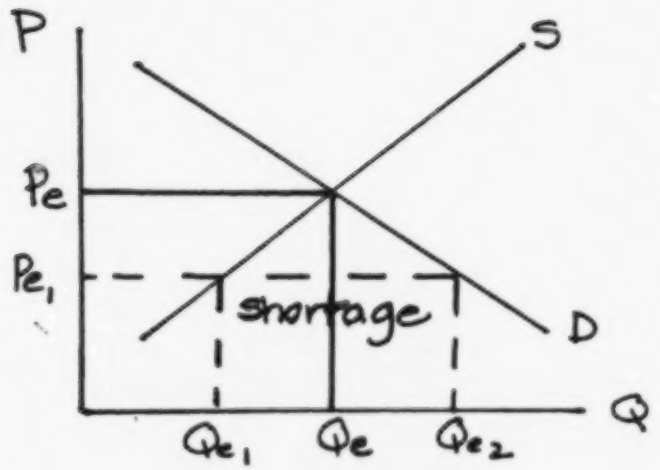
   1) Amount of new Santa Monica rental property will be available

   2) Quality of Santa Monica rental property available

i. What social goal was being violated according to the property owners?

j. What group of consumers might think its freedom was violated by the rent control mechanism?

4. After the discussion, illustrate a supply and demand curve to show what occurs when rent control is put into effect over a period of time. Indicate that the graph shows the relationship between quantity supplied and demanded when the average rent is set by market and when the average rent is fixed under rent control.



Pe = market-clearing price, i.e. rental price based on interaction of supply and demand

Pe1 = price instituted by rent control board

Qe = market-clearing quantity

Qe1 = quantity supplied at controlled price

Qe2 = quantity demanded at controlled price

5. Ask the following questions based on an analysis of the graph:

   a. At the price set by the rent control board, what is the relationship between the supply and demand for available rental housing?

   b. What would happen to the available supply of housing units if rent controls were eliminated?

   c. What would happen to the available demand for housing units if rent controls were eliminated?

   d. How do consumers gain and lose through rent control?

6. Have students complete the "Rent Control Checklist" and have them state whether they are for or against rent control and why. Evaluate their understanding of the objectives of the lesson on the basis of the reasons they give for their replies and not according to whether they are for or against rent controls. Discuss results with the class.

RENT CONTROL CHECKLIST

Directions: Check those items that are a result of a rent control, then state whether you are for or against rent control.

_____1. The demand for housing increases.

_____2. The demand for housing decreases.

_____3. The supply of housing increases.

_____4. The supply of housing decreases.

_____5. All consumers would pay a lower cost for housing.

_____6. All consumers would pay a higher cost for housing.

_____7. There would be a shortage of housing for renters.

_____8. There would be a surplus of housing for renters.

_____9. There would be a shortage of landlords.

_____10. There would be a surplus of landlords.

_____11. The quality of housing would improve.

_____12. The quality of housing would deteriorate.

_____13. Rent control denies the consumer and suppliers economic freedom.

_____14. Rent control does not deny the consumer and suppliers economic freedom.

Are you for or against rent control? _____Yes _____No

State your reason(s) why on a separate sheet of paper.

Adapted from: Joint Council on Economic Education
Teaching Strategies - Consumer Economics

ANSWER SHEET

3. a. Santa Monica was a desirable place to live, was close to Los Angeles proper, had a higher per capita income with changing population.

   b. There were more single people moving in with changing pattern of needs from an earlier family situation.

   c. It was caused by an increase in demand.

   d. Tenants expected rents to go down with the decrease in property taxes.

   e. A charter amendment established a rent control board elected by the voters with the purpose of reviewing all rent increase demands.

   f. Rental fees were not lowered because of inflation with rising interest rates and because of the tight market favoring landlords.

   g. Rents were established by the rate of returns on the original investment of the landlords.

   h. 1) There would be no increase in the availability of rental property in Santa Monica.

      2) The quality of Santa Monica rental property would go down.

   i. The social goal sacrificed would be that of economic freedom, the freedom to do with your property as you wish.

   j. Consumers who are willing to pay higher rents and can't get rental units are losers.

5. a. There is too little supply for the demand, creating a shortage.

   b. According to the graph if the controls were lifted and the interaction of supply and demand was allowed in the marketplace, there would be an increase in the quantity supplied.

   c. There would be a decrease in the demand for rental units in Santa Monica.

   d. Consumers gain by having to pay smaller rental fees, but they lose because there is a smaller number of rental units on the market.

Handout 3-3A

CASE STUDY: RENT CONTROL IN SANTA MONICA

SANTA MONICA'S SUBURBAN RADICALS[1]

. . . Santa Monica has 88,000 people in its compact 8.3 square miles, and some 80 percent of them are renters. Some of the renters are elderly pensioners [from 15 percent to 40 percent, according to various estimates]. . . . Many more renters are young professionals, who jog in swarms, morning and evening, in the parks overlooking the ocean. According to the U.S. Treasury Revenue Sharing Office, the city's per capita income is 29 percent higher than that of Los Angeles County.

Although local radicals worry about its "untrammeled development," the city gained only 25 persons between the 1970 and 1980 census. Its housing stock grew by 10%, however. As elsewhere, large families were giving way to singles and young marrieds, and high-rise condominiums were springing up to house them. With freeway access to downtown Los Angeles, smog-free Santa Monica would be a prime site for real estate development, except for the people who already live there. . . .

[L]ocal landlords find rent control very threatening indeed. To those who bear its economic burden, Santa Monica's form of rent control looks like a means of buying votes by a forced redistribution of wealth. . . .

. . . The first referendum on rent control lost heavily in June 1978. Yet the . . . property tax cuts that passed that same day ironically revived rent control agitation across the state.

Very little of the property owners' tax savings showed up in lower rents, which were under upward pressure from other inflationary costs and a booming rental market. The Renters' Rights coalition put the charter amendment back on the ballot in April 1979. Santa Monica voters gave it a 54% margin. . . .

The charter amendment established a rent control board to be elected by city voters, the only place in the country where a voting majority with a financial stake in the outcome of these quasi-judicial decisions elect[s] the persons who make them. In the first rent control board election, the Renters' Rights group took all the seats. . . .

In apartment house by apartment house, committees that organized to petition for lower rents had their efforts rewarded by favorable rent board decisions, and each committee became another unit in the Renters'Rights election network. Apartment owners reacted with fury; according to one account, they booed and hooted at early board meetings from the pledge of allegiance through the reading of the minutes and interrupted tenant speakers with catcalls.

The details of the law go far beyond regulating rents, economically damaging as that may be. According to Lowell Wedemeyer, an attorney who represents many local landlords, the board not only forces landlords to operate at a cash loss, it makes evictions practically impossible and prohibits owners from removing vacant apartments from the rental market.

On paper, says attorney Wedemeyer, the board determines rents by the rate of return on the original cash investment, no matter how long ago it was made. So there is no way rents can keep pace with inflation. Yet landlords with negative cash flow face criminal action if they neglect building maintenance. One part of the ordinance even makes it a misdemeanor, punishable by six months in jail or a fine, for a landlord to institute court proceedings to evict a tenant without first going through the rent board. Landlords can't withdraw units from the market or convert them to condominiums without rent board approval, which is slow in coming.

Rent control advocates often argue that buildings aren't run for a cash profit but for the tax shelter the rapid depreciation provides for high-income investors. But the Santa Monica law goes one step further, subtracting from every rent increase application the amount its hearing officers figure the owner saves in tax write-offs. The local law provides for figuring this amount as if the owner were in a 40% tax bracket, no matter what his actual income is.

The Renters' Rights people seem to think this law hurts only well-heeled landlords, speculators, and Saudi [Arabian] investors. Mayor [Ruth] Goldway argues that small landlords are protected by the exemption of three-unit, owner-occupied buildings. But landlord Stavisa M. Milosavljevic tells a far different story.

A disabled mechanical engineer, Mr. Milosavljevic owns one building of six units and says his rents fall far

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1 Excerpted from "Santa Monica's Suburban Radicals," by James Ring Adams, *The Wall Street Journal*, July 1, 1981. Reprinted with permission of the *Wall Street Journal*. © Dow Jones & Company 1981; all rights reserved. The adaptation excludes those portions of the original article that concern matters other than rent control — the subject of this lesson.

70
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short of his annual taxes, bank payments, and costs. The rent board, he says, has been totally capricious in setting his rents, giving a special break to one tenant who was a rent activist. The majority of Santa Monica landlords, he says, are "mom-and-pop" operators in his situation. . . .

Mr. Milosavljevic has brought one of some 150 landlord suits against the rent control charter or the rent board. Most have been successful in overturning specific rent board decisions, though at a cost to the landlords of some half million dollars in legal fees. Both sides are closely watching a major suit in which a lower court said parts of the law might be unconstitutional. The decision came a month before the election, and the Renters' Rights slate thinks their promise to defend the law strongly swelled their margin. Other observers think that the hope the law will be struck down has kept the Santa Monica housing market from collapsing.

In the meantime, the housing industry fears that radicals now have a program that can win the support of any electorate comprised mainly of renters. They've gone to state and federal levels to try to forestall it. But Mayor Goldway isn't worried by a current U.S. Senate drive to suspend federal housing aid to communities with rent control. "The total help for 1980-81 in the city from the federal government is $77 million," she says. "We have a UCLA [University of California at Los Angeles] estimate that tenants saved in one year of rent control approximately $54 million. There is no way that federal programs can have leverage on us."

The Santa Monica experiment may wind up forcing the "mom-and-pop" owners to sell out to anyone with the cash reserves to wait out the legal challenge.

The ironic result would be that the policies of "economic democracy" would bring about a further concentration of Santa Monica property in the hands of speculators and large corporations. But one can argue that the experiment should be left alone, as long as local voters want it, if only to be an example to the rest of the country.

SANTA MONICA'S LID ON RENTS[2]

James Ring Adam's editorial page article regarding [the] Santa Monica Rent Control Law (July 1) was misleading regarding the "plight" of the "mom and pop" landlords.

As a long-term resident/tenant of Santa Monica, I have seen the rents escalate substantially in excess of the inflation rate due to a severe housing shortage (which occurred before rent controls, not because of rent controls). However, the landlords who are now in an economic bind are all new owners who speculated that further rampant inflation and rent increases would bail them out of economically unsound investments in apartment units that were obviously money losers at the price and terms at which they were purchased.

Poor Mr. Malosavljevic appears to be one of those buyers who knew what the cash flow loss was when he purchased his building and hoped that he could raise rents further to cover his losses; he could not do so due to the passage of rent control.

Most of the long-term "mom and pop" owners of units in Santa Monica are doing quite well, based on allowed annual rent increases of 6%-7% and their older mortgages, which were made at more economically sound purchase terms. Only the recent speculators appear to be the ones suffering. And, of course, speculation should, and in the case of Santa Monica did, entail substantial risks.

If the political winds of Santa Monica have turned against the landlords, it is only because the tenants had no other recourse against the pressures of unbearable rent raises. The rent control law, though possibly unfair to landlords on an economic basis, may have avoided a far worse sort of political situation when many tenants would have been evicted with no place to go.

Allan M. Mannheim

Beverly Hills, Calif.

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2 From "Letters to the Editors," *The Wall Street Journal*, July 9, 1981. Reprinted with permission of *The Wall Street Journal* © 1984 Dow Jones & Company, Inc. All rights reserved.

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REAL ESTATE March 21, 1984

Landlord's Unusual Response To Rent Controls Stirs Fight

By Robert Guenther
Staff Reporter of The Wall Street Journal

IN SANTA MONICA, Calif., the struggle over the city's rent controls has taken a novel twist. A landlord there wants to demolish his fully-tenanted, six-unit apartment building rather than continue to operate under rent controls. But the city is refusing to allow him to tear the building down.

Jerome Nash, the landlord, contends he has the constitutional right to dispose of his property as he sees fit, even if it means going out of business. The city's rent-control board says the city's interest in preserving its rental housing supercedes that right. The case is expected to be decided soon by the California Supreme Court, following two lower-court rulings in Mr. Nash's favor.

If it seems a bit extreme for someone to tear down a perfectly good building to avoid rent controls, Mr. Nash counters that the city, in effect, is taking his property without reimbursement.

Why not sell the building? "That's the city's point, but the city can't force him to sell," says Mitchell Ezer, Mr. Nash's attorney. "He doesn't want to because of the depressed value that's caused by rent controls. The issue is whether he has the right to go out of business."

IN 1978, according to the rent-control board, Mr. Nash, then a UCLA student, bought the apartment building for $260,000 with a $65,000 downpayment. A year later Santa Monica adopted rent controls. At the time Mr. Nash bought it, the annual rental income for the building was $22,620; the city says it's now $29,752 a year.

In a declaration to the court, Mr. Nash stated that his intent is to "evict the group of ingrates that inhabit my units, tear down the building and hold on" to the land until a buyer is found. Despite the reference to his tenants as ingrates, Nr. Nash says he isn't being spiteful or mean-spirited in the dispute. "Absolutely not," he insists.

Indeed, clearing the parcel may make the property more salable than attempting to sell the building as a rental property. Santa Monica's rent-control law doesn't permit rent adjustments reflecting a new owner's purchase price or debt, nor can the rent be raised when a tenant moves out.

But with a cleared parcel, someone could build and sell condominium apartments at a greater profit than if the old building sold as a rental. If that's what Mr. Nash has in mind, he isn't saying.

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EPISODE IX

Introduces students to the factors which led to the successful establishment of the visitor industry in Hawai'i.

OBJECTIVES

After reading this episode, students should be able to:

1. Cite at least three reasons for the success of the visitor industry since World War II.

2. Specify tourism as largest industry in Hawai'i.

ANSWERS TO EPISODE IX QUESTIONS

1. Reasons why the visitor industry began to flourish after World War II include:

   - lower air fares from the mainland
   - shorter travel times to Hawai'i
   - rising consumer incomes on the U.S. mainland (and Japan)
   - more vacation time for U.S. (and Japanese) workers, and
   - effective promotion of the Hawai'i visitor industry on the U.S. mainland and elsewhere.

2. In 1985 approximately 4.8 million tourists came to Hawai'i. Approximately 24% of these (1,175,500) were from the Orient.

3. The first Aloha Day Parade — during Aloha Week — certainly helped stimulate the visitor industry. Other annual events that help attract visitors include the Bowl games (on national TV), Lei Day, various University of Hawaii sporting events and Kamehameha Day. Some of these events have been a part of Hawai'i for a long time and were not originally planned to attract visitors. Nevertheless, they now serve to help "sell" Hawai'i to visitors.

4. Fewer tourists come to Hawai'i by ship nowadays because of high prices and longer travel times than those for air travel. Due to declining numbers of patrons, most shipping companies have discontinued passenger service to Hawai'i.

5. The rise and decline in the number of visitors was due to the affluence of the 1920's followed by the Great Depression which began during the fall of 1929. After 1929 arrivals fell dramatically. It is interesting to note, however, that visitor arrivals began to increase relatively early — in 1934.

ACTIVITY - EPISODE IX

ECONOMIC CONCEPTS: The three questions of production -- WHAT TO PRODUCE, HOW TO PRODUCE, FOR WHOM TO PRODUCE.

How Hawai'i reallocated her resources from war time to peacetime is a good example of an economy answering the three questions of economics. The first question of WHAT TO PRODUCE is determined by consumers casting their dollar votes for what they want. Should an area use its land resources to build hotels or to grow sugar? Should time be consumed to study for a test or to play a game? What have market surveys shown as consumer tendencies?

The second question of HOW TO PRODUCE is determined by the most efficient and least costly combination of productive resources. Should the hotel be built with more labor or with more machines (capital)? Should a student type (capital) or write (labor) the term paper.

The third question of FOR WHOM TO PRODUCE is determined by how much the consumer has to spend and how the producer decides to market the product. Should the hotel be built as a luxury hotel or as a tour group special? Should the government raise taxes, leaving people with less to spend?

Hawaii's leaders realized that the American public, with more money to spend and more time for leisure, would be looking for vacation sites and decided to produce a tourist industry. Hawaiian leaders then combined the productive resources in the most efficient manner to produce this industry. Hotels were built in a capital-intensive manner, multi-storied on relatively small parcels of land, a relatively expensive resource. The Hawaiian leaders had to train their labor supply "to become hotel managers, tour guides, entertainers, and accountants." The FOR WHOM question was answered by advertising, by creating such events as the "Aloha Day Parade," and by an increase in America's disposable income.

DEFINITIONS

Three questions of production -- What , How, and For whom to produce are decided by the interaction of consumer and producer in the marketplace.

Disposable income -- Income left after taxes.

ACTIVITY A -- GRAPHING TOURISM

Instructional Objectives: Following the lesson, the student will be able to:

1. Interpret information given about Hawaii's tourist industry.
2. Plot a graph, given numbers and a time scale.
3. Answer general questions about the various trends in tourism.

Procedures:

1. Distribute the worksheet.
2. Give the students 15 minutes to do the graph.
3. Go over some generalizations based on the shape of the graph, "Tourist Industry".
4. Allow the students another 10 minutes to complete the answers.
5. Go over the answers with the class.

ACTIVITY B -- SCENARIO WRITING

Instructional Objectives: Following the lesson, the student will be able to:

1. Write a scenario about Hawai'i in the year 2000.
2. Generalize about some of the trends Hawai'i will be facing in planning for the future.

Procedures:

1. Divide the students into groups. Introduce the idea of scenario writing, how they must project themselves into the future by taking present trends anad deciding how they will impact the future.

2. Do not let the student go off free without any guide questions. Some suggested areas to inspect are:

   a. What will be the major industries in the year 2000? Will tourism still be number one? Will agriculture be a major contributor to the economy?

   b. What kinds of jobs do you expect in the future? Will they mainly be service-oriented? Will there be more entry-level type jobs in Hawai'i? Will Hawai'i have to send her more gifted and trained citizens overseas?

c. What will our educational system be like in the year 2000? Will more or less schooling be needed to be competitive in the job market?

d. What will the family structure be like in the year 2000? Will there be more extended families living together in ohana-type houses?

e. Will people be able to afford their own houses? Will people live in apartments in congested urban settings?

f. Will there be more multi-income families in Hawai'i with even children having to work?

g. What will our transportation system be like in the year 2000? Will there be more cars or a mass transit system? Will there be any legislation limiting the number of cars in Hawai'i?

h. What will the quality of life be like in the year 2000? Will there be enough space for people? Will there be enough recreational facilities for all?

i. If Hawaii is to remain a tourist center, what will she need to be competitive?

3. After the students have done their tasks, have them present their reports to the class.

4. After some discussion, have the students read articles on planning and projecting. They are "Supersonic jet age could isolate Isles, economist predicts" and "Sand Island Convention Center".

5. Now conclude by having the students compare their reports with those of the two articles or any other articles you may have.

ACTIVITY C — BURYING A TIME CAPSULE

Instructional Objectives: Following this lesson, the student will be able to:

1. List items that would represent the time to a future generation.
2. Generalize as to what the present means to her/his generation.

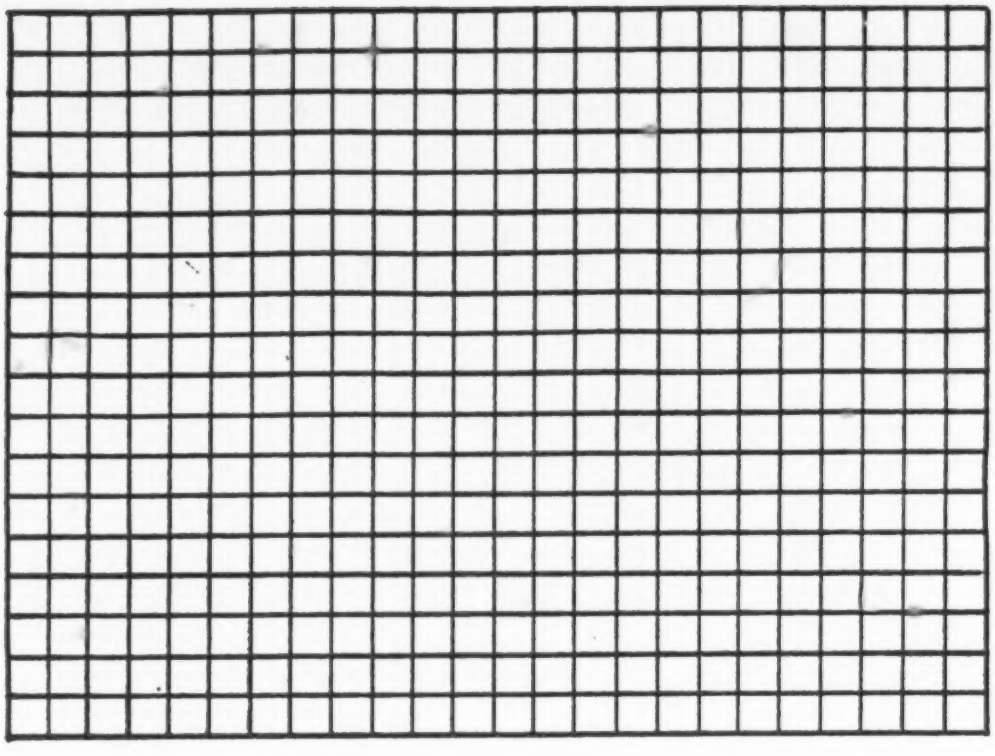
Procedures:

1. Divide the students into groups and place them in the situation of planning items to be placed in a time capsule.

2. Rather than have them go about this task freely (unless students are capable of such freedom), give the students a list to work from. This list should ask for representative articles from the following:

   a. magazines, newspapers, periodicals
   b. tapes, video as well as audio
   c. any fads like yo-yos and skateboards
   d. items of clothing
   e. items of jewelry, including watches
   f. school items like books, buttons, pennants
   g. any pictures of items typical of the time like popular cars
   h. any other items they would like to include

3. Have the students share their lists. Repeatedly ask them why they chose those items. After that, have the students genrealize as to the answers they chose. Answers should be like: "These items represent our generation" and "These would be good clues in trying to figure us out."



TOURIST INDUSTRY

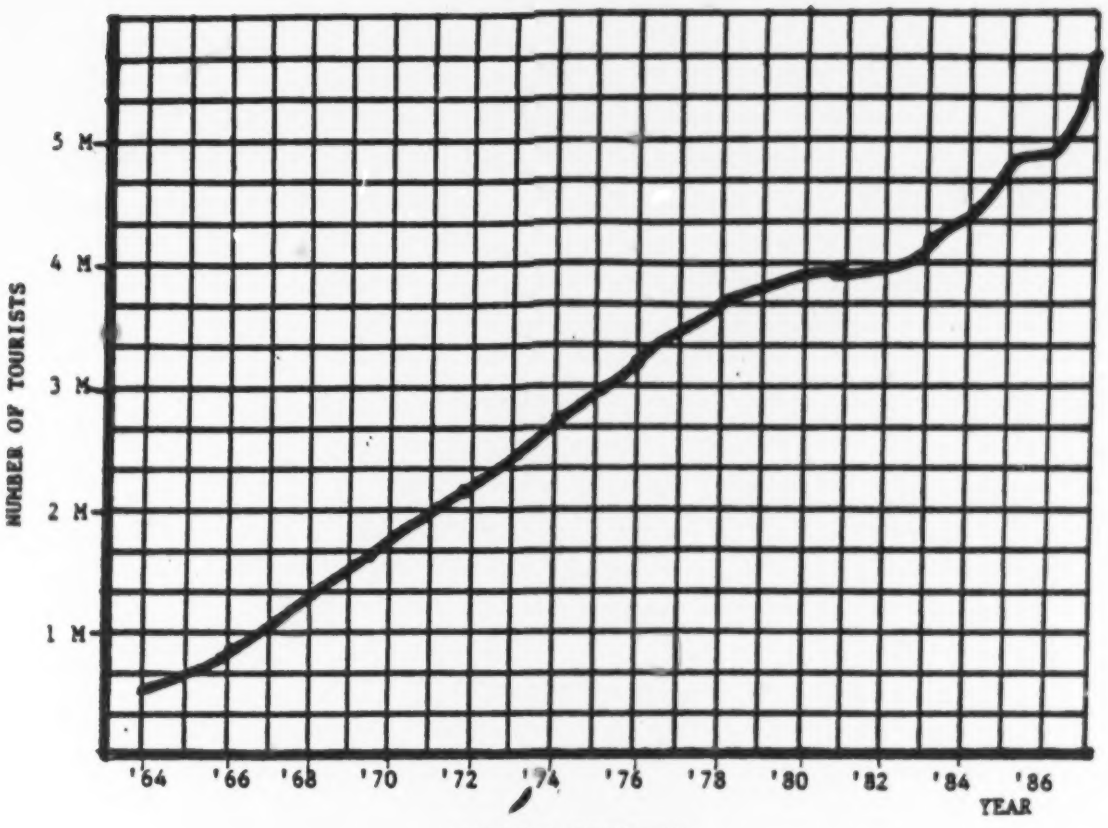
Graph the following numbers to see the growth of the tourist industry.

YEAR	NO. TOURISTS
1964	563,925
1966	835,456
1968	1,314.571
1970	1,746,970
1972	2,244,377
1974	2,786.489
1976	3,220,151
1978	3,670.309
1980	3,934.504
1981	3,934.623
1982	4,242,925
1983	4,367.880
1984	4,865,580
1985	4,884,110
1986	5,606,980

1. Many predicted the death of tourism in the early 1980's. Does the graph support this prediction? Explain.

2. How many years did it take to go from 2 million to 3 million? From 3 million to 4 million? From 4 to 5 million?

3. After examining the graph, what future trends would you predict for tourism?



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1986	5,606,980

1. Many predicted the death of tourism in the early 1980's. Does the graph support this prediction? Explain. (Yes, the graph supports this. 1980 & 1981 figures show a growth of only 119.)

2. How many years did it take to go from 2 million to 3 million? From 3 million to 4 million? From 4 to 5 million? (It took 5 years to go from 2 to 3 million; it took 8 years to go to 4 million; it took 5 years to reach 5 million.)

3. After examining the graph, what future trend would you predict for tourism? (Tourism should increase, but at what rate remains a question.)

Supersonic jet age could isolate Isles, economist predicts

Supersonic jet travel could cut off Hawaii from world commerce, leaving the state a decade hence with "a backwater economy . . . totally dependent on tourism and the military," Bank of Hawaii economist David Ramsour said yesterday.

Already, a slow-growth trend has taken hold, he said, noting that over the past 15 years Hawaii's inflation-adjusted income per capita has risen barely 0.5 percent annually compared with more than 5 percent in the preceding 10 years.

Meanwhile, the Legislature, in trying to make up for the flatness in tax revenues that a slow-growth, low-inflation economy implies, will be tempted "to turn to gimmicks that appear to make revenue raising painless."

A current example, Ramsour said, is the pending proposal for a state lottery, which he attacked as "nothing less than a regressive tax . . . that tricks the least able into paying a tax that they otherwise would not — perhaps could not — have chosen to pay."

Meanwhile, too, because costs-of-living here will remain high, Hawaii families likely will press to make sure every adult member pulls in some income, he said. That would produce growth in the "underground economy," in which income goes unreported for taxing purposes. And "serious implications" would arise . . . "for society and criminal patterns."

These sobering scenarios were contained in prepared remarks to the Hawaii Police Commissioners' conference yesterday at the Ala Moana Americana Hotel.

David Ramsour
Warns of overflights

In his jet travel warning, Ramsour said he expects that within the next decade "we will have the capacity to fly (in suborbital craft) from New York to Sydney in an hour.

"If we are concerned about Hawaii being overflown today, we should be even more wondering about our relative isolation in 1995 or 1998."

Hawaii's role as a commercial crossroads, already in decline by Ramsour's reading, is likely to slip even faster, "not despite but *because* of" rising Mainland interest in Asian markets, he said. "Mainland corporations and population centers will attempt to learn to handle their Asian affairs by themselves."

Already many state and county delegations are going to Asia "without calling on any unique knowledge that Hawaii's population is supposed to possess," he said.

(Source: Honolulu Advertiser, March 7, 1986)

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Sand Isle convention center

About 30 years ago I wrote letters advocating the construction of a freeway from the airport to Waikiki via Sand Island, Fort Armstrong and Ala Moana Boulevard, the latter to be double decked. I also advocated that the state get rid of the 500 or so acres of war surplus and junk that infested Sand Island because the state did not honor the "highest and best use" principle of land management. Here was a parcel of land almost as large as Waikiki, almost as beautifully situated as Waikiki, certainly worth at least 75 to 80 percent as much as Waikiki being rented out as a junk yard. About 300 acres still is.

As a Realtor I let my mind worry about the problem and came up with the idea that the state should develop a Pacific Rim Exhibition Center with all the member states being invited to lease sites, including space for gift shops, restaurants, etc., for this purpose. With the Bishop Museum participating, it would be a terrific tourist destination.

But now add the proposed convention center to the middle of this complex and you have a sure winner. Put it in Fort DeRussy or the golf course and you make a lot of people mad, do not derive any revenue that it will generate for the surrounding areas, except possibly through taxes, and add confusion to the streets of Waikiki.

There are many other benefits to the Sand Island location. Let me discuss a few:

The freeway would cross the sea plane area (Kalihi Bay, perhaps) on a causeway, leaping over the Snug Harbor and second entrance to Honolulu Harbor on a double, high arch steel bridge. It should be a lacy, airy steel bridge that will give the first-time visitors a thrilling view. This freeway will get the visitors to Waikiki from the airport in 10 minutes.

The added revenues from the greatly enhanced location would help defray and retire the bond issue needed to finance this venture.

The route would be entirely over publicly owned land. No acquisition costs, no expensive condemnations.

The project would disturb no one except the present tenants, until you got to the point of double decking Ala Moana Boulevard. All the rest would be away from traffic lanes except one into Sand Island Park and that could be re-routed along the Coast Guard station, whose access would be under the descent from the channel bridge.

With careful planning and judicious bid procedures, this project could be in place by the time of the America's Cup, but if so, we've got to stop doing things Hawaii style. Full speed ahead and damn the torpedoes.

T. W. Keithley

(Source: Star Bulletin, June 15, 1987)

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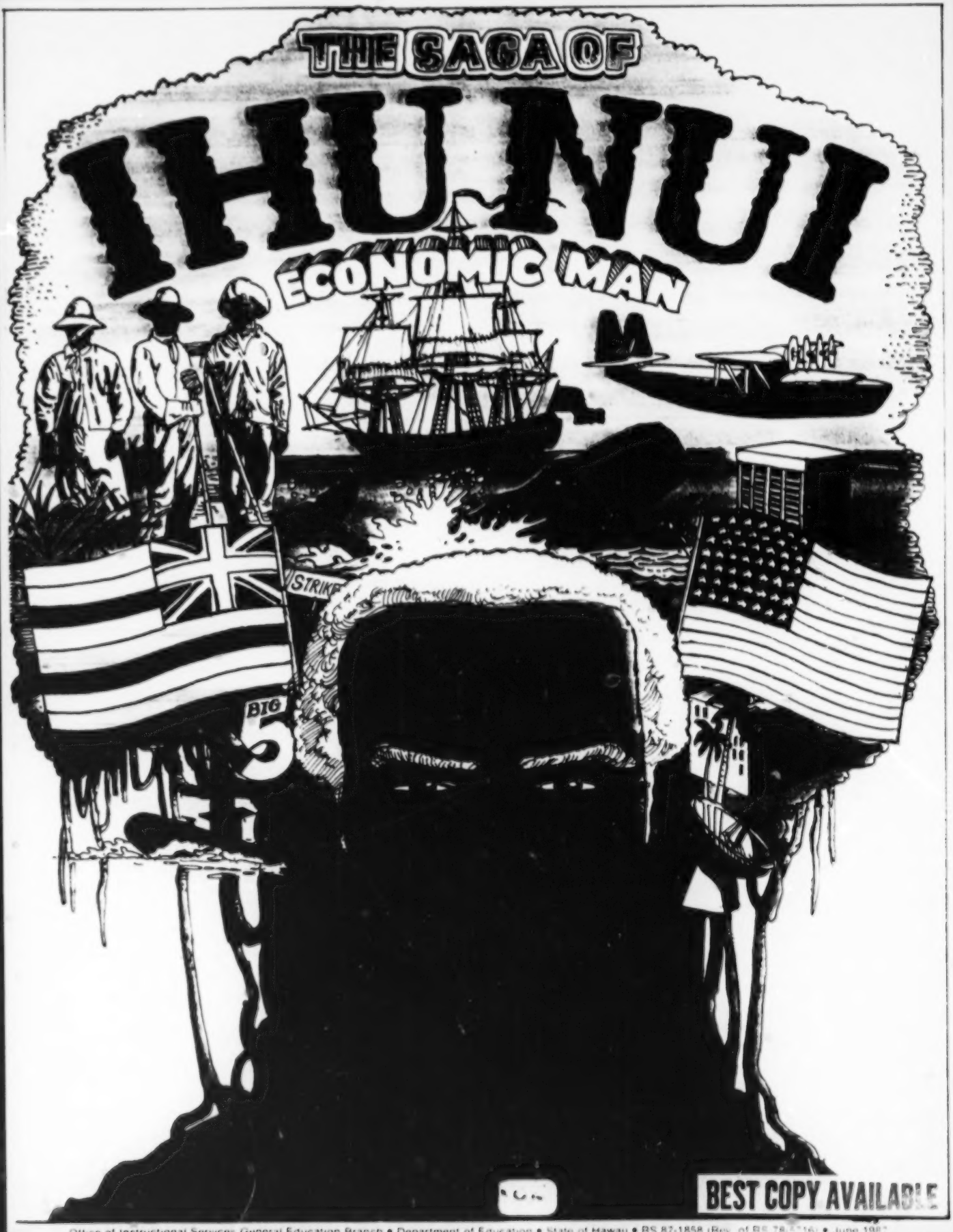

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Governor, State of Hawaii

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THE SAGA OF IWU NUI

BY

STEVE JACKSTADT

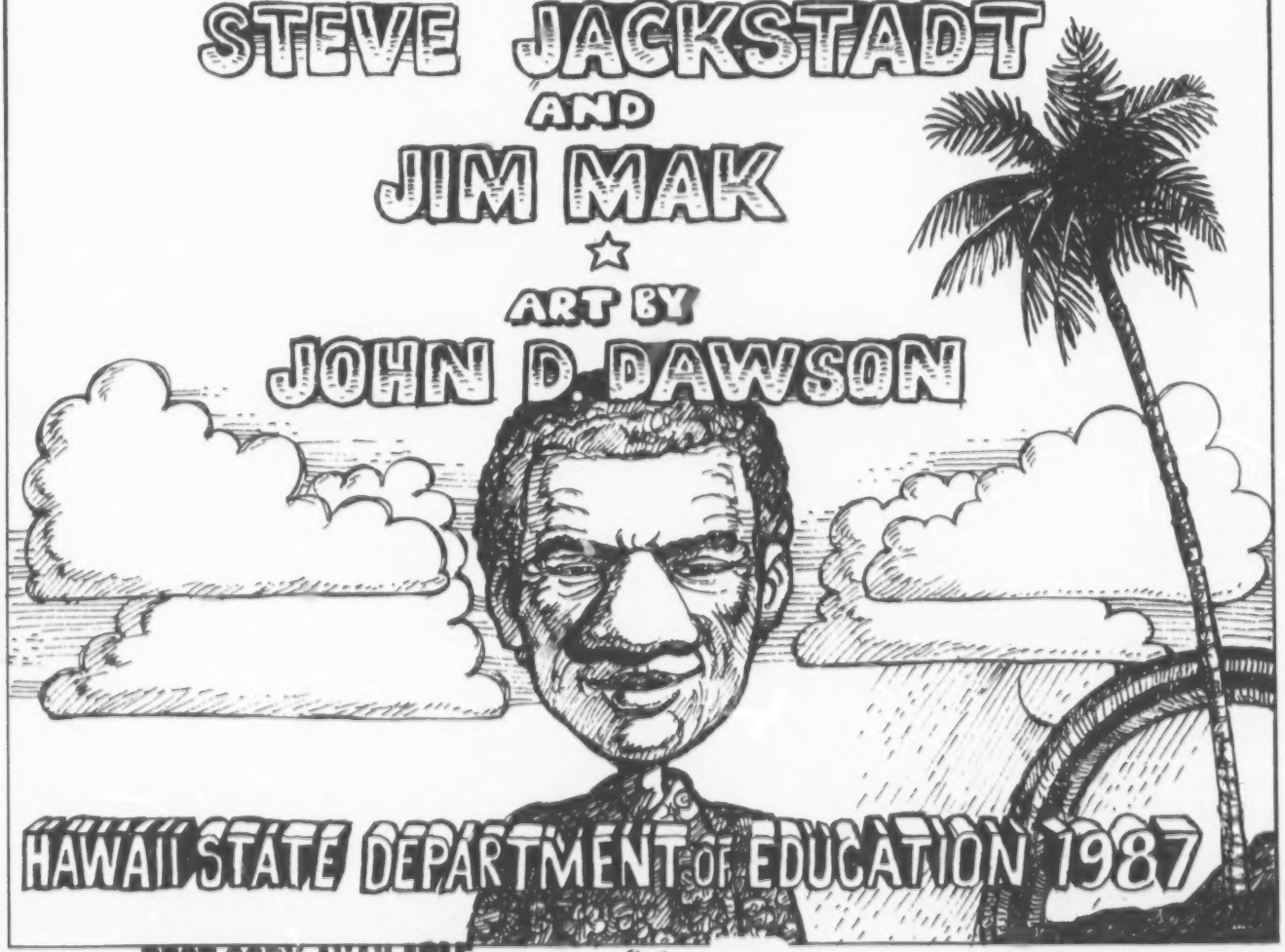
AND

JIM MAK

☆

ART BY

JOHN D. DAWSON



HAWAII STATE DEPARTMENT OF EDUCATION 1987

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FOREWORD

This publication is designed to aid teachers who will be teaching the grade 7 social studies course entitled, "The Hawaiian Monarchy" and the high school course entitled, "Modern History of Hawaii". This unique publication was developed to increase student understanding of the historical development of Hawaii's economy.

The Saga of Ihu Nui was first printed in 1978 as a joint venture of the Department of Education and the Hawaii Council on Economic Education.

In 1987, the publication was updated and a second printing was done.

Teachers are encouraged to use the Teacher's Guide to Ihu Nui which include answers to the text questions and additional learning activities on specific economic concepts.

Implementation information for the use of The Saga of Ihu Nui in the classroom may be obtained from the Center for Economic Education - Manoa at 948-7009.

Charles T. Toguchi
Superintendent

THE SAGA OF IHU NUI was developed under a grant from the Hawaii Joint Council on Economic Education. The current revision is funded by a grant from Chevron, U.S.A.

Special thanks to Gail Tamaribuchi and Sumner La Croix for their assistance in revising Ihu Nui.

First printing, 1978
Second printing, 1987

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HOLD IT LARRY!
WHAA.....?
THERE'S SOMEONE BURIED UNDER THIS RUBBLE
IS HE ALIVE ?
I THINK SO.
WHO IS HE ?
HAWAII DRIVER LICENSE
HIS I.D. SAYS HIS NAME IS IHU NUI.. 5'8", 140 lbs., BORN IN 1762.....1762!
THIS GUY IS OVER 200 YEARS OLD!!

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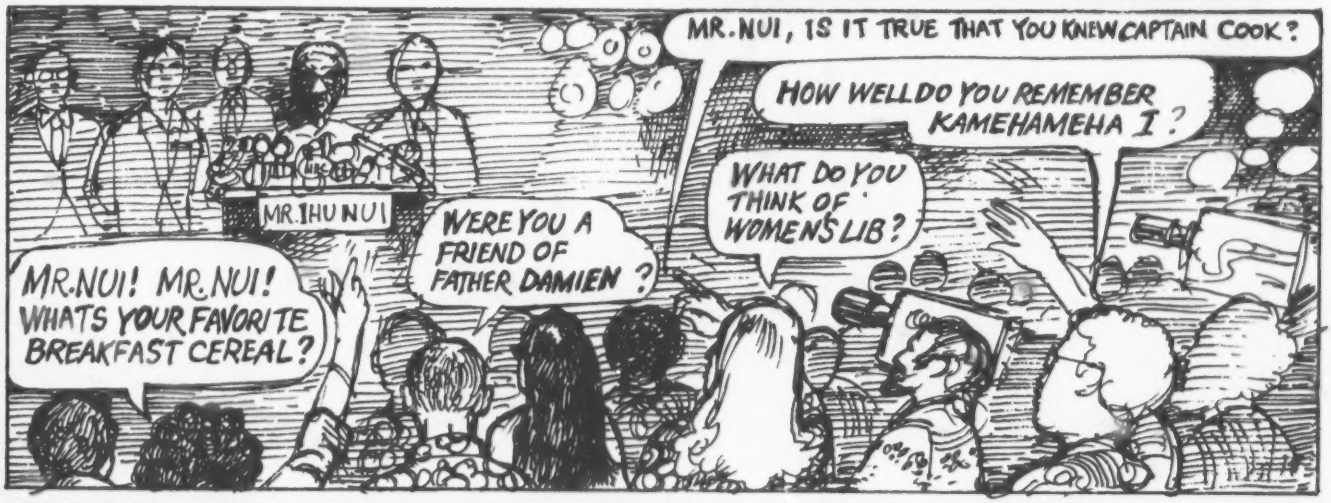
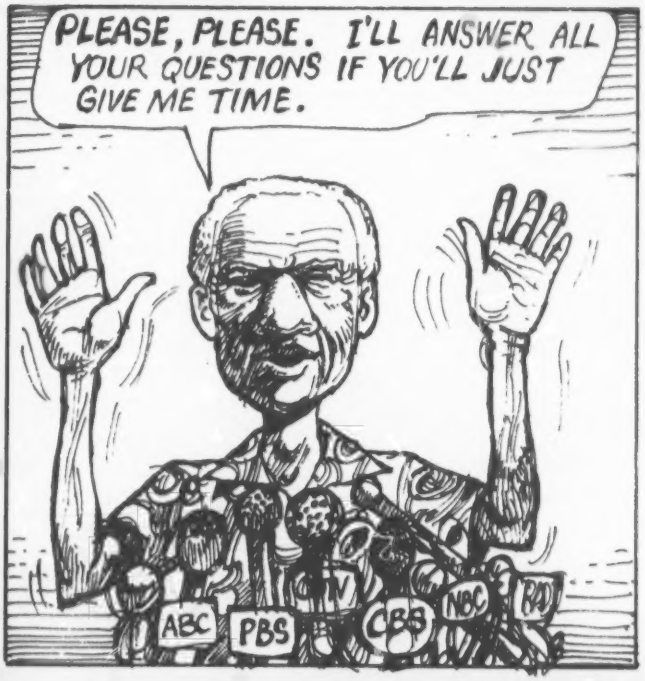
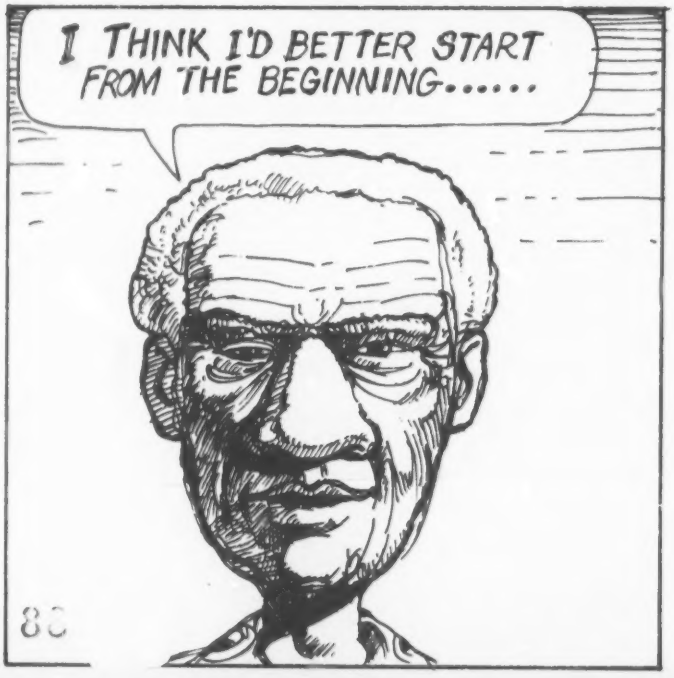
Honolulu Star-Bulletin · EXTRA

200 YEAR OLD MAN FOUND IN HONOLULU WRECKAGE

PRESS CONFERENCE TODAY


MR. NUI, IS IT TRUE THAT YOU KNEW CAPTAIN COOK?
HOW WELL DO YOU REMEMBER KAMEHAMEHA I?
WHAT DO YOU THINK OF WOMEN'S LIB?
MR. IHU NUI
WERE YOU A FRIEND OF FATHER DAMIEN?
MR. NUI! MR. NUI! WHATS YOUR FAVORITE BREAKFAST CEREAL?



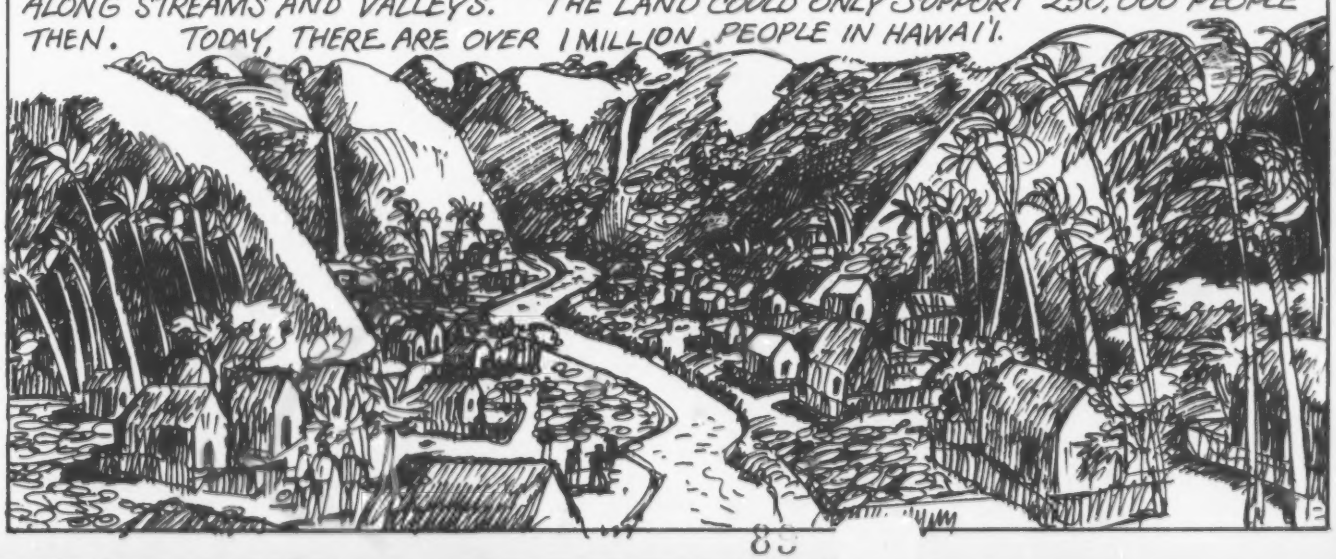


I WAS BORN ON THE KONA COAST OF THE BIG ISLAND, NEAR KEALAKEKUA BAY

OF COURSE, WE KNEW NOTHING OF THE OUTSIDE WORLD THEN. WE HAD TO DEPEND ON OURSELVES AND OUR VERY LIMITED RESOURCES TO PROVIDE THE THINGS WE NEEDED.

OUR TOOLS WERE VERY SIMPLE COMPARED TO WHAT WE HAVE TODAY.... NO MACHINES, NO TRUCKS, NO BULLDOZERS AND NO METAL TOOLS. WE DIDN'T EVEN HAVE HORSES OR OXEN TO PLOW OUR FIELDS OR TO CARRY HEAVY THINGS. WE HAD TO DO MOST THINGS BY HAND.

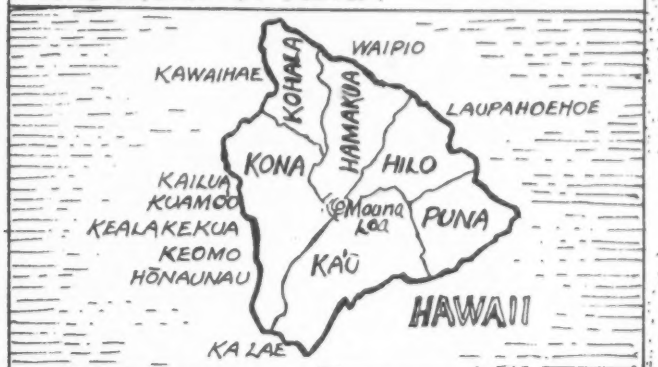
WITHOUT MODERN EQUIPMENT MUCH OF THE LAND COULD NOT BE CULTIVATED, EXCEPT ALONG STREAMS AND VALLEYS. THE LAND COULD ONLY SUPPORT 250,000 PEOPLE THEN. TODAY, THERE ARE OVER 1 MILLION PEOPLE IN HAWAI'I.



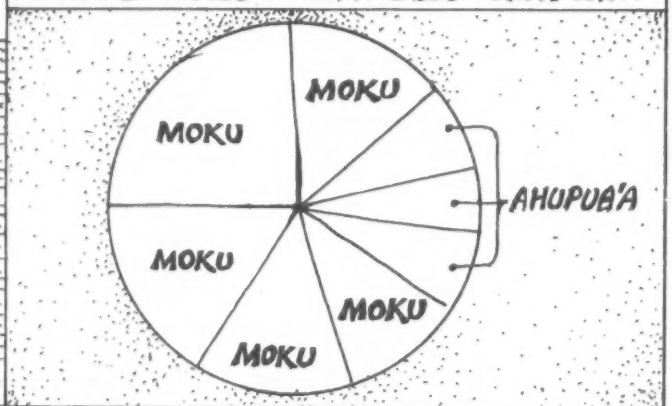
EVEN IN ANCIENT HAWAII, LAND WAS VERY SCARCE. MANY BLOODY WARS WERE FOUGHT OVER WHO WOULD CONTROL THE LAND.

EACH ISLAND WAS DIVIDED INTO DISTRICTS CALLED **MOKU.**

HAWAII, FOR EXAMPLE, WAS DIVIDED INTO SIX **MOKU**, MY FAMILY LIVED IN THE **MOKU** OF **KONA**



THE **MOKU** WERE DIVIDED INTO SMALLER, PIE-SHAPED PIECES OF LAND CALLED **AHUPUA'A.**



ALL THE LAND ON EACH ISLAND WAS UNDER THE CARE AND PROTECTION OF THE **ALI'I NUI**, WHO WAS THE HIGHEST RANKING CHIEF ON EACH ISLAND.

OTHER HIGH CHIEFS CALLED **ALI'I 'AI MOKU** GOVERNED EACH **MOKU**

LESSER CHIEFS, OR **ALI'I**, RULED EACH **AHUPUA'A.**

THE AHUPUA'A WAS THE MOST IMPORTANT LAND DIVISION IN ANCIENT HAWAII. NEARLY EVERY AHUPUA'A RAN FROM MOUNTAIN TOP TO THE SEA. THIS WAY THE PEOPLE WHO LIVED IN EACH AHUPUA'A WERE ABLE TO PROVIDE THEMSELVES WITH EVERYTHING THEY NEEDED....

BIRDS FOR FOOD AND FEATHERS, WAUKE BARK FOR CLOTHING, WOOD TO MAKE HOUSES AND CANOES — THESE WERE GOTTEN IN THE MOUNTAINS...
CROPS SUCH AS TARO AND SWEET POTATOES WERE RAISED IN THE MIDDLE AND LOWER PARTS OF THE AHUPUA'A.
FISH, SEAWEED AND 'OPIHI WERE FOUND IN THE SEA.

AS YOU MIGHT IMAGINE, MOST OF THE PEOPLE WORKED THE LAND. THESE PEOPLE WERE CALLED THE **MAKA'AINANA**, OR COMMONERS. THE MAKA'AINANA DID MOST OF THE PHYSICAL LABOR AND PRODUCED MOST OF THE GOODS.

SHARING WAS AN IMPORTANT PART OF OUR LIVES IN THOSE DAYS

IF A TARO FARMER WANTED SOME FISH, HE DIDN'T BUY IT OR BARGAIN FOR IT. HE SIMPLY WENT DOWN TO THE SEA-SHORE AND ASKED A FISHERMAN FOR WHAT HE NEEDED. THE FISHERMAN WOULD GIVE THE FARMER WHAT HE ASKED FOR.

WHEN THE FISHERMAN WANTED TARO, HE WOULD GO UP TO THAT PART OF THE AHUPUA'A WHERE TARO WAS GROWN AND THE FARMER WOULD SUPPLY THE FISHERMAN'S NEEDS.

MONEY WAS NOT USED IN ANCIENT HAWAII AND PEOPLE SHARED THEIR GOODS.

MY FATHER WAS A FISHERMAN, ONE OF THE BEST IN HAWAII. BEING THE ELDEST BOY I WAS EXPECTED TO BE A FISHERMAN TOO....

BUT I'M AFRAID I WASN'T A VERY GOOD FISHERMAN.

BURP BLAH BURP

THE THING I LIKED BEST WAS PLAYING WITH MY UNCLE'S PIG, NOHEA.

NOHEA WAS A VERY SMART PIG; SHE COULD ROLL OVER; SHE COULD SHAKE HANDS; SHE COULD EVEN DANCE. I LOVED HER VERY MUCH.

MY MOTHER WOULD OFTEN SCOLD ME FOR SPENDING TOO MUCH TIME PLAYING WITH NOHEA AND NOT ENOUGH TIME DOING MY CHORES.

NOHEA WAS THE SOURCE OF MY GREATEST HAPPINESS, AND, AS IT TURNED OUT, MY GREATEST SORROW. IT WAS A DAY IN OCTOBER DURING THE MAKAHIKI .....

"NOHEA AND I WERE PLAYING ALONG THE SHORE."

SUDDENLY SOMETHING STRUCK ME FROM BEHIND. I WAS KNOCKED FLAT!

LOOKING UP I SAW STANDING OVER ME, MILU THE ALI'I WHO RULED OUR MOKU.

DID YOU NOT HEAR ME PROCLAIM THE COMING OF THE ALII AI MOKU?

NO, I'M SORRY.

DO YOU NOT KNOW THAT WHEN AN ALI'I COMES NEAR, YOU ARE TO PROSTRATE YOURSELF?!

I HAD MADE A GRAVE MISTAKE. I HAD VIOLATED AN IMPORTANT KAPU. WHENEVER THE ALI'I WENT AMONG THE PEOPLE, RUNNERS WENT BEFORE HIM, EITHER BLOWING A CONCH SHELL OR CALLING ALOUD TO ANNOUNCE HIS COMING...

IF A COMMONER DIDN'T SHOW DUE RESPECT WHEN A HIGH CHIEF PASSED BY, HE COULD BE PUT TO DEATH.

NEEDLESS TO SAY, I WAS AFRAID.

THAT'S A NICE PLUMP PIG YOU HAVE THERE BOY.
YE...YES SIR.
?
TAKE THE PIG
WAIT! NO!
I LEAPED TO MY FEET READY TO STRIKE MILU'S SERVANT- READY TO STOP HIM FROM TAKING NOHEA.
JUST THEN MY UNCLE CAUGHT ME BY THE ARMS. I KICKED AND STRUGGLED TO FREE MYSELF AS I SAW NOHEA BEING CARRIED AWAY.
I DIDN'T KNOW IT THEN, NOR DID I CARE, BUT MY UNCLE HAD DONE ME A GREAT SERVICE. HE HAD SAVED MY LIFE. IF I HAD ATTACKED MILU OR HIS SERVANT, I WOULD HAVE MOST SURELY BEEN KILLED.

WHEN I STOPPED CRYING, MY UNCLE REMINDED ME THAT ACCORDING TO ANCIENT TRADITION THE ALII HAD THE RIGHT TO TAKE FROM THE PEOPLE ANYTHING THAT CAUGHT THEIR FANCY.

THIS WAS PARTICULARLY TRUE DURING THE MAKAHIKI SEASON FROM OCTOBER TO FEBRUARY DURING WHICH TIME TAXES WERE COLLECTED BY THE ALII IN THE FORM OF GOODS — FISH, DOGS, POI, TAPA, ETC...

SUPPOSEDLY, SINCE ALL THE LAND WAS IN THE CARE OF THE ALII, EVERYTHING PRODUCED ON THE LAND BELONGED TO THEM ALSO. ACCORDING TO MY FATHER, MORE THAN HALF OF WHAT THE COMMONERS PRODUCED WAS TAKEN BY THE ALII. I SUSPECT THEY WOULD HAVE TAKEN MORE IF THEY COULD HAVE EATEN MORE.

I MISSED NOHEA VERY MUCH IN THE DAYS THAT FOLLOWED, BUT AS THE DAYS BECAME MONTHS AND MONTHS BECAME YEARS, SHE FADED IN MY MEMORY. IN SPITE OF THIS CHILDHOOD TRAGEDY, I STILL HAVE FOND MEMORIES OF MY LIFE AS A BOY. FOR ONE THING I DIDN'T HAVE TO GO TO SCHOOL. I SOMETIMES WISHED I COULD RETURN TO THOSE GOOD OLD DAYS. BUT AS YOU KNOW WE CANNOT REVERSE THE SANDS OF TIME.

*IN ANY CASE, AS YOU ALL KNOW, SOMETHING HAPPENED IN 1778 THAT PUT THE WAY OF LIFE OF ANCIENT HAWAII FOREVER OUT OF REACH.

EPISODE I

The Hawaiian Islands are situated centrally in the Pacific Ocean at the northern edge of the tropics. They were created from lava oozing out on the ocean floor and then emerging above the sea.

There are eight main islands: Ni'ihau (72 square miles), Kaua'i (555), O'ahu (604), Moloka'i (260), Maui (728), Lāna'i (141), Kaho'olawe (45) and Hawai'i (4,030). The total land mass is about the size of the state of New Jersey. O'ahu, the third largest, is presently the most populous with over 80 percent of the total population.

The Islands are very distant from other land masses in the Pacific. The Pacific Coast of the United States is over 2,000 miles distant, Tahiti, Samoa, and Fiji are between 2,300 and 2,800 miles away. About 3,500 miles of ocean stretches between Hawai'i and Japan. Australia is about 4,500 miles away. Both China and the Philippines are nearly 5,000 miles away.

One migration theory suggests that the first Hawaiians were Polynesians who came to the Islands beginning in A.D. 124; voyages continued until the thirteenth or fourteenth centuries. Early migrants came from the Marquesas Islands, while later migrants probably came from Tahiti. The voyagers navigated their canoes across thousands of miles of ocean without the benefit of maps or compasses. Celestial navigation provided direction.

These early voyagers brought with them a number of useful plants and animals such as taro, the Hawaiian staff of life from which poi is made, sugar cane, sweet potatoes, bananas, pigs, chickens, and dogs. Until Captain James Cook's arrival in 1778, there was no significant contact between the Hawaiians and the outside world.

EPISODE I QUESTIONS

1. Approximately how many people lived in Hawai'i before the arrival of Captain Cook? What is the population of Hawai'i today?

2. What is the difference between a moku and an ahupua'a? Which is larger?

3. What kinds of things did the ancient Hawaiians produce with their resources?

4. Who did most of the work in ancient Hawai'i?

5. Why do you think most ahupua'a ran from the mountains to the sea? Why weren't some laid out along the shore with other ahupua'a located inland?

6. In ancient Hawai'i, the ali'i collected taxes from the maka'āinana (commoners) in the form of goods. What do you think the maka'ainana received in return for these tax payments? What kinds of things do the people of Hawai'i receive in return for tax payments today?

7. Did the maka'āinana in ancient Hawai'i "own" the land they lived on? Did the ancient Hawaiian fisherman "own" the fish that he caught? Did the farmer "own" the taro that he grew? Explain.

EPISODE II : IHU NUI CORNERS THE NAIL MARKET
IHU! WAKE UP! WAKE UP!
THERE ARE TREES MOVING ABOUT ON THE SEA.
WHA....?
STOP JOKING SISTER. LET ME SLEEP.
IHU PLEASE. I AM NOT JOKING. LOOK!
I COULD NOT BELIEVE WHAT I SAW IN THE HALF LIGHT OF DAWN. IT DID SEEM LIKE HUGE TREES WERE MOVING ON THE WATER.
?

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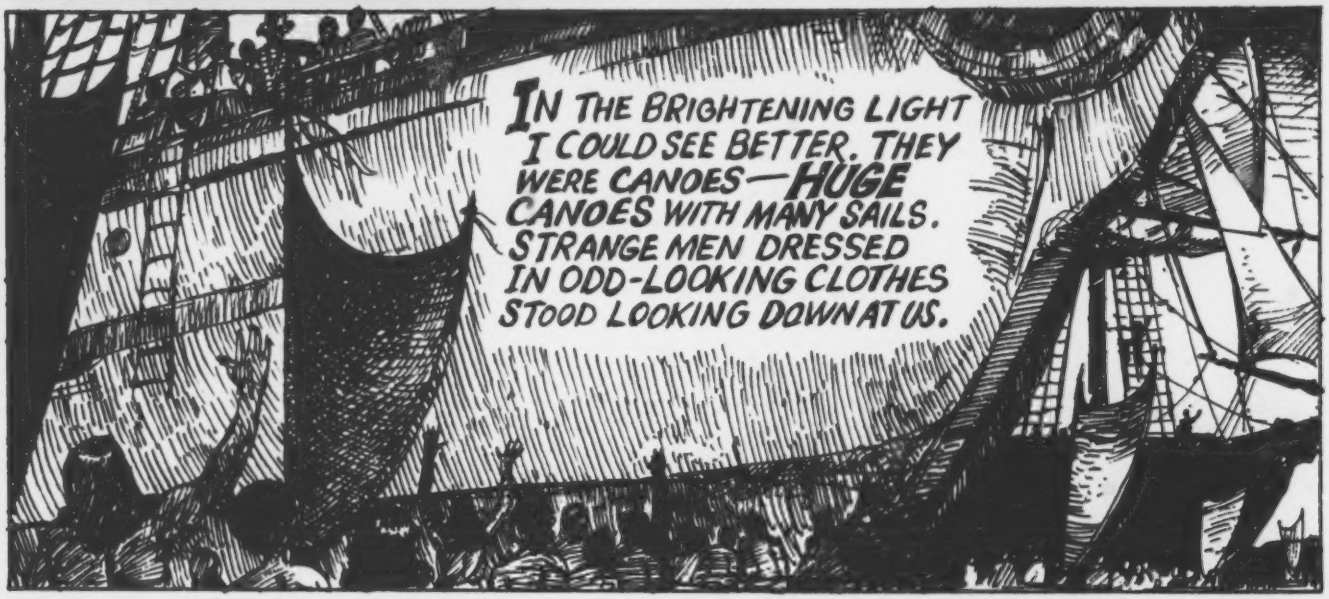
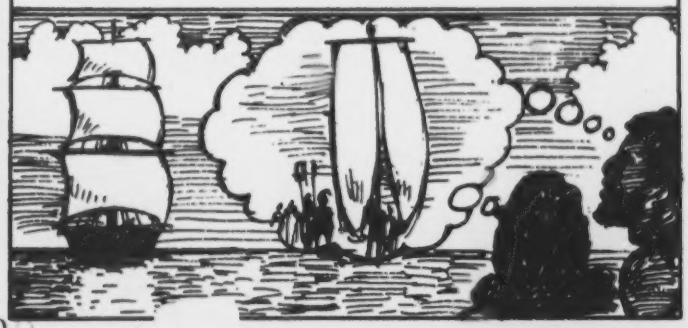
OTHERS IN OUR VILLAGE HAD SEEN THIS STRANGE SIGHT. SOME WERE RUNNING TOWARD THE SHORE. SOME WERE FRIGHTENED AND CRIED OUT IN FEAR.

I HAD TO SEE WHAT WAS HAPPENING. AS I NEARED THE SHORE, CANOES WERE ALREADY IN THE WATER. I JUMPED INTO ONE AND WE PADDLED OUT INTO THE BAY.


IN THE BRIGHTENING LIGHT I COULD SEE BETTER. THEY WERE CANOES—HUGE CANOES WITH MANY SAILS. STRANGE MEN DRESSED IN ODD-LOOKING CLOTHES STOOD LOOKING DOWN AT US.

THEY BECKONED TO US TO CLIMB ABOARD THEIR CANOES. I WAS AFRAID BUT MY CURIOSITY WAS STRONGER THAN MY FEAR.

I HAD HEARD RUMORS OF THESE STRANGERS OR "HAOLES" BEFORE. IT WAS SAID THAT THESE CANOES HAD VISITED KAUAI DURING THE PREVIOUS MAKAHIKI. SOME SAID THAT ONE OF THESE CANOES WAS THE HEIAU OR TEMPLE OF THE GOD LONO, AND THAT LONO HIMSELF LIVED ON ONE OF THE CANOES.



AFTER WE CLIMBED ABOARD ONE OF THE BIG CANOES, WHICH THE HAOLES CALL "SHIPS", SOME PEOPLE FELL TO THEIR KNEES AND PRAYED, OTHERS OFFERED GIFTS OF FISH, SWEET POTATOES AND BANANAS TO THE STRANGERS.

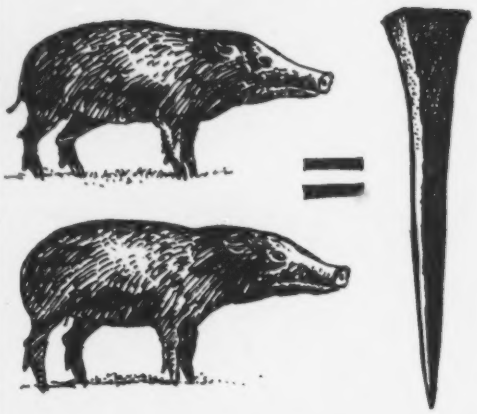
SEVERAL OF THE STRANGERS OFFERED US GIFTS IN RETURN — GIFTS THAT ASTONISHED US.

WHAT THE HAOLES OFFERED WERE GRAY THINGS THAT FELT COLD AND HARD. THEY SAID THESE THINGS WERE MADE OF "IRON". NAILS, SPIKES AND IRON BANDS. THESE WERE THINGS WE HAD NOT SEEN BEFORE. IRON WAS A NEW AND WONDERFUL SURPRISE.

IMMEDIATELY WE IMAGINED ALL SORTS OF USES FOR THE IRON GIFTS. THE NAILS COULD BE MADE INTO FISH HOOKS OR SET IN WAR CLUBS. THE SPIKES COULD BE USED TO MAKE KNIVES OR DIGGING TOOLS. THEY WERE MUCH BETTER THAN WOOD OR STONE. IT WAS INCREDIBLE!

SOON IT WAS OBVIOUS THAT THE HAOLES WANTED FRESH FOOD AND THAT THEY WERE MORE THAN WILLING TO GIVE IRON IN RETURN. THE MEN AND WOMEN OF KEALAKEKUA CAME AND WENT BETWEEN THE VILLAGE AND THE SHIPS, BRINGING HOGS, POI, BREADFRUIT AND OTHER FOOD TO THE HAOLES IN EXCHANGE FOR SMALL PIECES OF IRON.

FOR TWO PIGS THE HAOLES GAVE ONE NAIL



ONE ALI'I GAVE A WHOLE HERD OF HOGS AND A BUNDLE OF KAPA FOR AN IRON HATCHET.

IRON!

THE ALI'I WHO HAD MUCH IRON GREW IN STATUS; THE COMMONER WHO WAS ABLE TO GIVE IRON TO HIS CHIEF GAINED FAVOR; FISHERMEN WHO HAD HOOKS MADE OF IRON WERE ABLE TO CATCH MORE AND BIGGER FISH; THE WARRIOR WITH AN IRON WEAPON WAS FEARED.

THIS WAS MY CHANCE. I WOULD DO ALL I COULD TO GET IRON---- ESPECIALLY NAILS!

THE DAYS THAT FOLLOWED SAW ME BUSY AT NOTHING ELSE. I COLLECTED ALL THE FISH, VEGETABLES AND BANANAS I COULD GET MY HANDS ON IN ORDER TO TRADE THEM FOR NAILS!

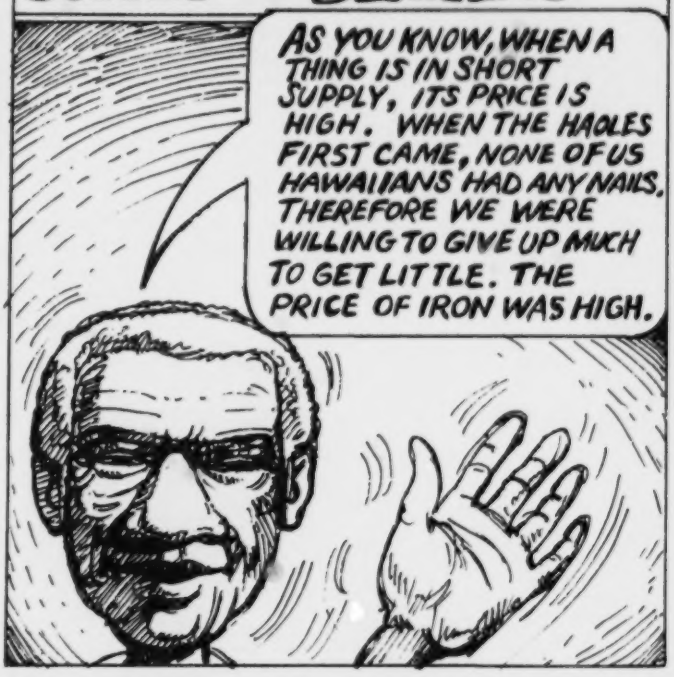
I WORE MY SELF OUT CLIMBING TREES FOR COCONUTS TO TRADE.

I DOVE BENEATH THE SHIPS AND REMOVED NAILS FROM THE BOTTOMS.

I EVEN RISKED DEATH BY HIDING THE NAILS FROM THE CHIEFS.

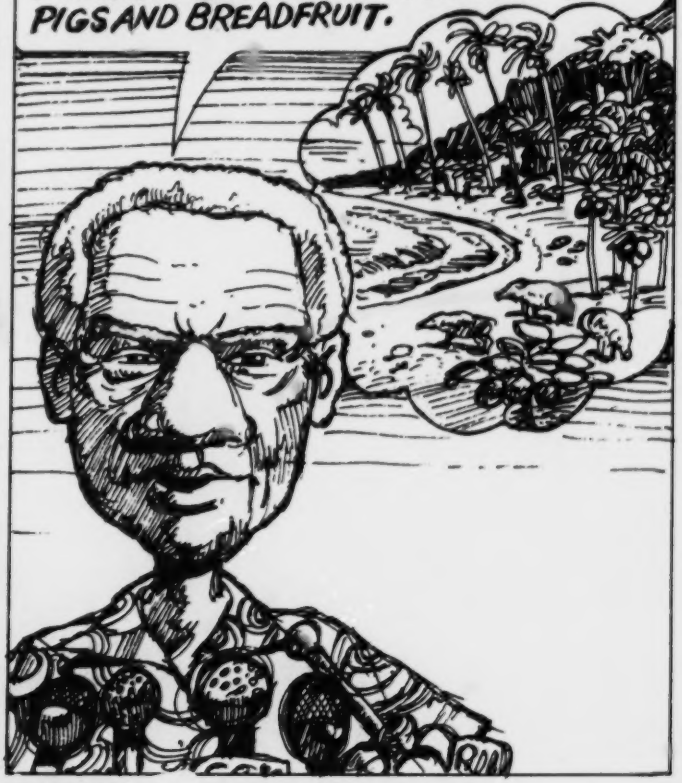
IN A LITTLE MORE THAN TWO WEEKS I HAD AMASSED A FORTUNE. I HAD MADE IT TO THE TOP. I WOULD BE RESPECTED, FEARED, LOVED.

BUT I HAD NOT COUNTED ON ONE THING, SUPPLY AND DEMAND


AS YOU KNOW, WHEN A THING IS IN SHORT SUPPLY, ITS PRICE IS HIGH. WHEN THE HAOLES FIRST CAME, NONE OF US HAWAIIANS HAD ANY NAILS. THEREFORE WE WERE WILLING TO GIVE UP MUCH TO GET LITTLE. THE PRICE OF IRON WAS HIGH.

AS OUR STOCKS OF NAILS AND OTHER IRON THINGS GREW WE ASKED FOR MORE IRON IN EXCHANGE FOR OUR ISLAND PRODUCTS.

BY THE SAME TOKEN, WHEN A THING IS ABUNDANT, ITS PRICE IS LOW. WHEN THE HAOLES CAME WE HAD PLENTY OF PIGS AND BREADFRUIT.



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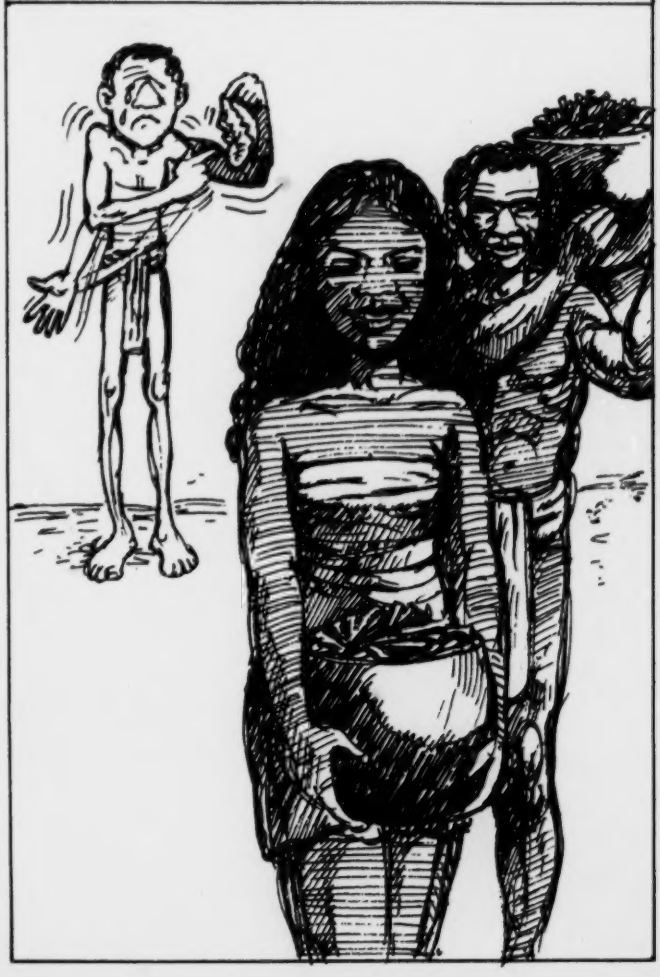
BY THE TIME I MANAGED TO ACCUMULATE ALL MY NAILS, EVERYONE HAD NAILS AND IRON. FOOD ON THE OTHER HAND, WAS SCARCE. WHEN THE SAILORS LEFT AFTER ONLY 20 DAYS AT KEALAKEKUA, THE COUNTRY FOR MILES AROUND WAS EXHAUSTED OF PRODUCE.

THE NAILS THAT I HAD HOPED WOULD BRING ME FAME AND FORTUNE NOW BROUGHT IN ONE SHRIVELLED UP SWEET POTATO.



I VOWED NEVER AGAIN TO BE THE VICTIM OF MY OWN IGNORANCE. NEXT TIME I WOULD DO BETTER. I WAS LEARNING ABOUT **SUPPLY** AND **DEMAND**.

EPISODE II

As you already know from reading Episode I, almost every ahupua'a in ancient Hawai'i was self-sufficient. Exchange among people who lived within an ahupua'a was more like what we today would call "sharing".

Trade between different ahupua'a and even between islands, however, was not uncommon among Hawaiians before Captain Cook's arrival. Because of differences in local weather conditions, and also due in part to the development of special skills, various areas in the Islands became known for certain commodities.

Ni'ihau, for example, was small and dry and thus had no wood to make canoes. But it acquired the needed wood by trading its fine makaloa mats and yams which it grew in abundance.

Frequent trade was carried on between O'ahu and Kaua'i. The people of O'ahu excelled in the making of kapa (cloth) while Kaua'i residents were proficient in making canoes, paddles, and spears.

In Hawai'i, the largest island, regular market fairs were held on the banks of the Wailuku River near Hilo. People from various parts of the Island brought their goods to exhibit. When it appeared that an agreement between two traders was about to be reached, the two parties were brought to a broad rock in the middle of the road in the middle of the stream where an inspector would then oversee the exchange

and settle disputes. In turn, the inspector received a commission from each transaction.

Trading in ancient Hawai'i was mainly by barter. No commodity had yet attained the status of "money". The closest thing that came to be accepted as a medium of exchange was probably dried fish, because it was not very perishable and was fairly uniform in quality.

When Captain Cook arrived in Hawai'i, things changed. Cook found that the Hawaiians were glad to give the haole sailors things like pigs, taro and sweet potatoes in exchange for nails. Nails had become a medium of exchange. Nails were the cash with which Cook and his men purchased things from the Hawaiians.

These nails were good only between the Hawaiians and their foreign visitors. Once a nail got into Hawaiian hands, it was confiscated by the ruling chiefs. Nails were not used as money within the Hawaiian community, just between cultures.

EPISODE II QUESTIONS

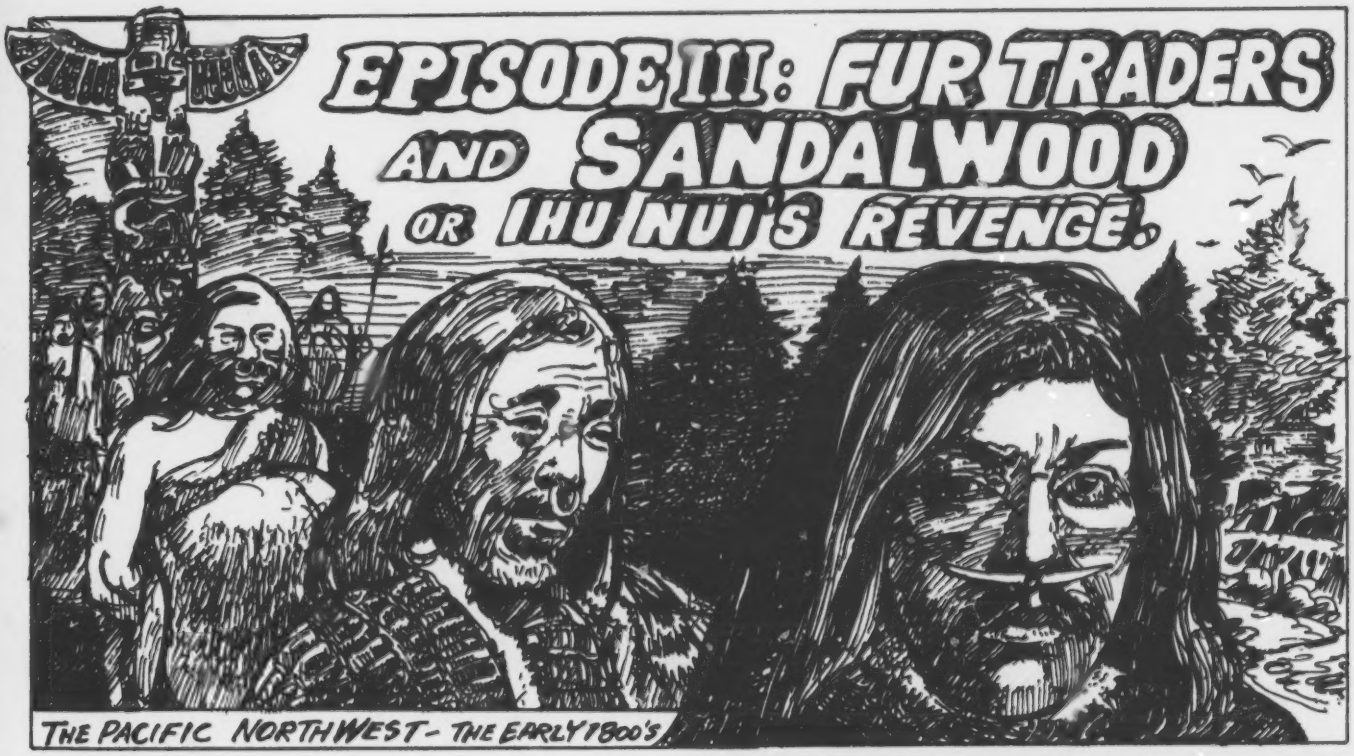
1. When did Captain Cook "discover" Hawai'i?

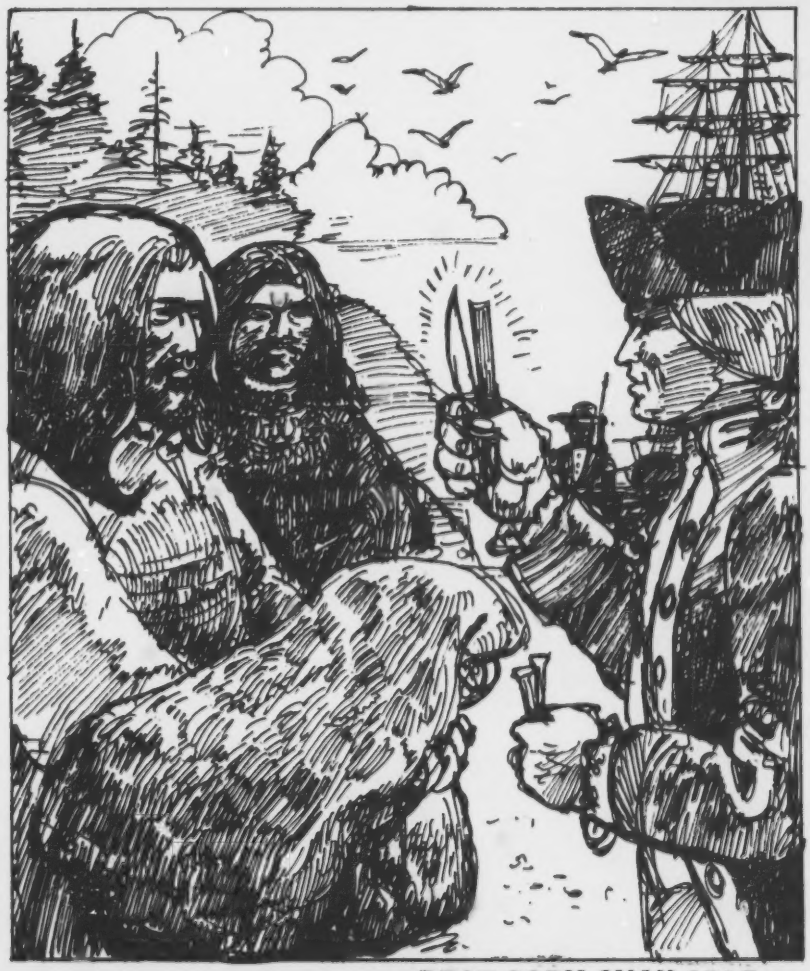
2. Why were the ancient Hawaiians so anxious to get iron from Captain Cook and his men?

3. When Captain Cook first came to Kealakekua, the Hawaiians were willing to give two pigs in exchange for one nail. In less than three weeks, this situation changed. Explain, in terms of supply and demand, what happened to the terms of trade between iron and food.

4. It has been said that the ancient Hawaiians believed that Captain Cook was the god Lono. Why do you think the ancient Hawaiians might have believed this?

5. How did Captain Cook's arrival affect the economy of ancient Hawai'i?





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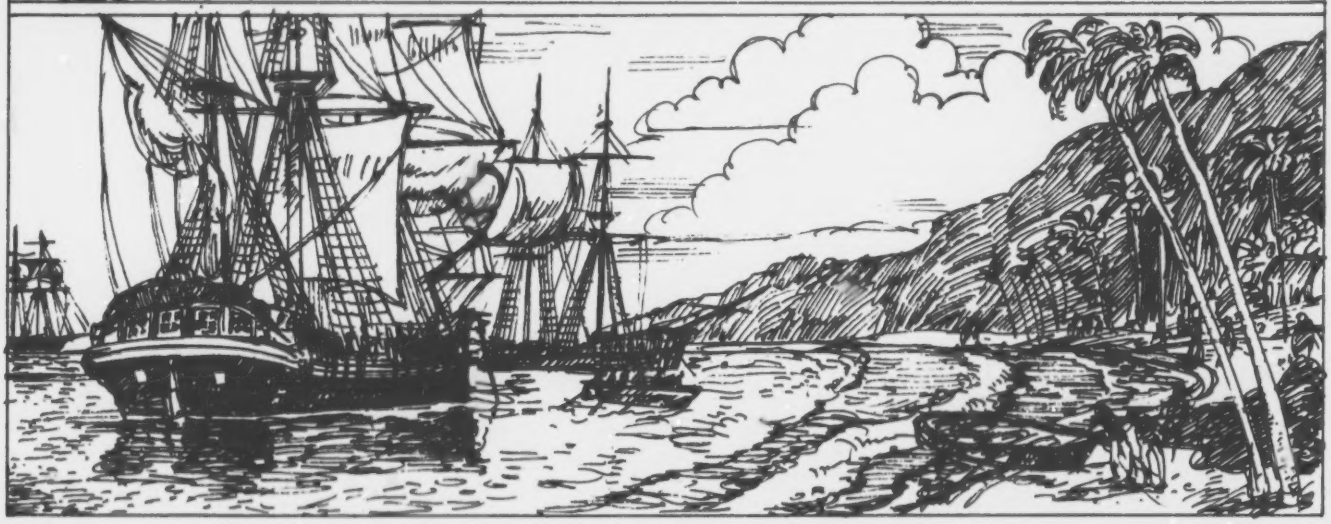
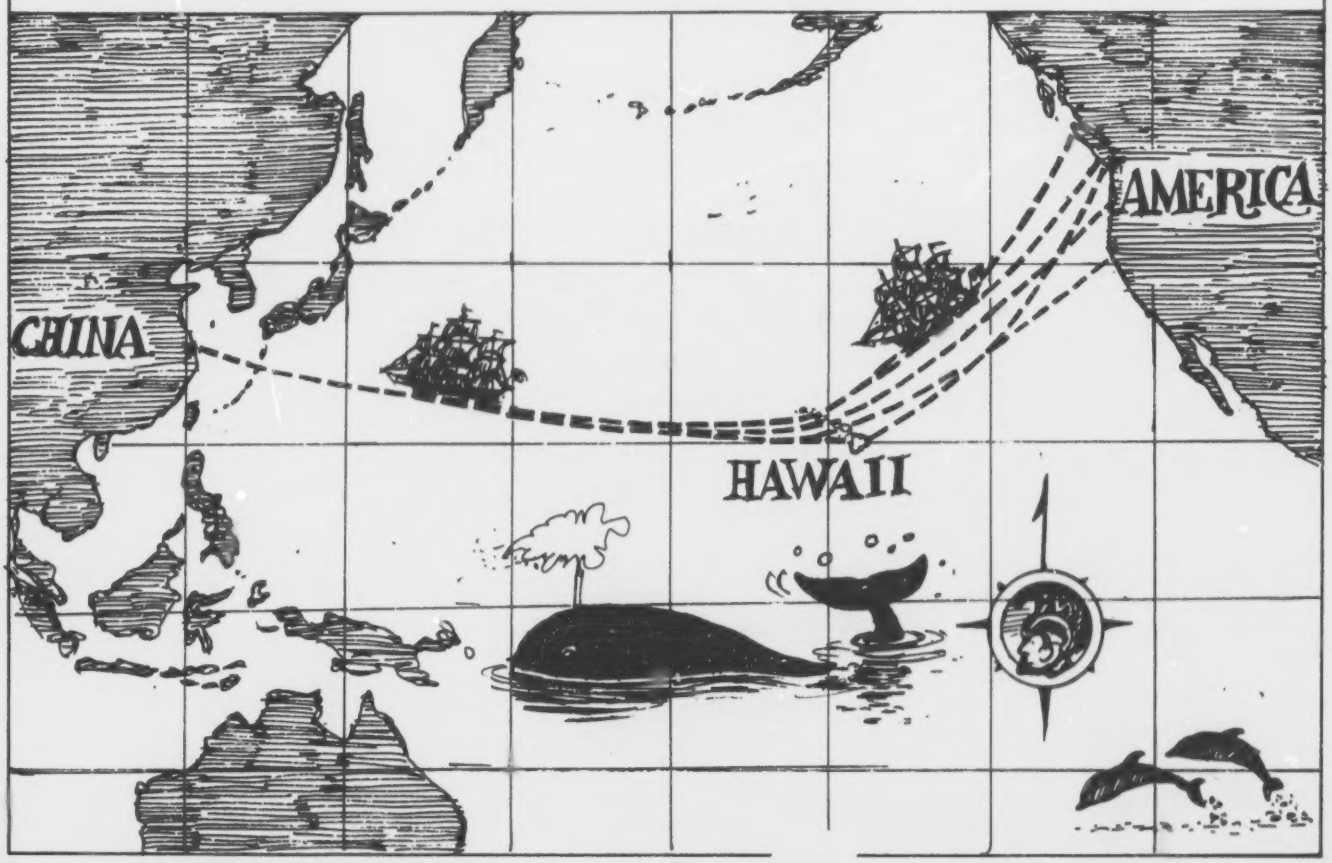
WHEN WORD OF CAPTAIN COOK'S DISCOVERY OF THE HAWAIIAN ISLANDS REACHED AMERICA AND EUROPE, FOREIGN SHIPS BEGAN STOPPING IN HAWAIIAN PORTS.



THE LARGEST NUMBER OF THESE SHIPS WERE INVOLVED IN THE FUR TRADE — BUYING FURS FROM THE AMERICAN INDIANS IN THE PACIFIC NORTHWEST AND SELLING THEM IN CHINA. THEY STOPPED IN HAWAII ON THEIR WAY TO GET PROVISIONS, ESPECIALLY FOOD.



THE HAOLES ON THE VOYAGING BOATS GAVE US SEEDS TO GROW NEW CROPS SUCH AS CORN, CABBAGE, POTATOES AND ONIONS. THEY ALSO INTRODUCED NEW ANIMALS, SUCH AS CATTLE AND GOATS, TO THE ISLANDS.

FROM WHAT I LEARNED OF SUPPLY AND DEMAND FROM MY ILL-FATED NAIL BUSINESS, I EXPECTED TO GET RICH. GREATER DEMAND FOR OUR HAWAIIAN FOOD PRODUCTS WOULD MEAN HIGHER PRICES THE HAOLES WOULD GIVE NOT ONLY NAILS, BUT CLOTH, MIRRORS, EVEN GUNS.

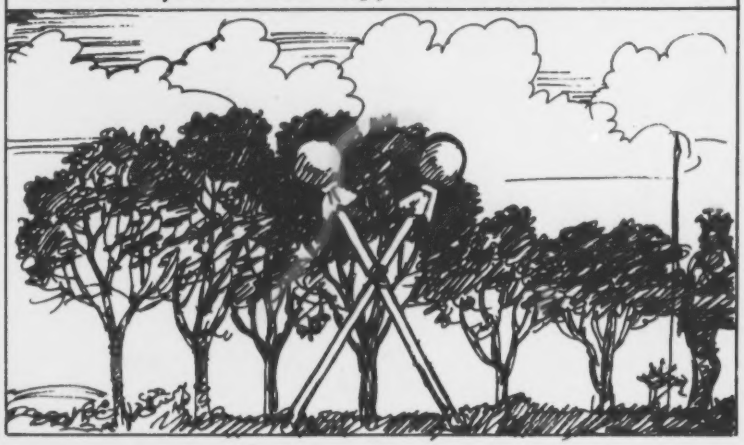
BUT AGAIN I WAS MISTAKEN. WE **DID** GET MORE IN TRADE. BUT AS BEFORE, WE COMMONERS WORKED HARDER WITHOUT INCREASING OUR OWN WEALTH OR WELL-BEING.

ONLY THE ALI'I GOT RICH.

THINGS GOT EVEN WORSE FOR THE MAKA'AINANA WHEN THE FOREIGNERS DISCOVERED THAT SANDALWOOD GREW IN HAWAII. MERCHANTS IN CHINA WERE EAGER FOR THE FRAGRANT SANDALWOOD, WHICH THEY USED TO MAKE IDOLS, BOXES, CARVINGS, MEDICINE, PERFUMES AND INCENSE.

THE SANDALWOOD TRADE WAS EVEN MORE PROFITABLE THAN PROVIDING THE SHIPS WITH FOOD.

WHILE KAMEHAMEHA THE GREAT WAS ALIVE, THINGS WEREN'T TOO BAD. AS KING, HE HAD A ROYAL MONOPOLY ON THE ENTIRE SANDALWOOD TRADE. AS A CONSERVATION MEASURE, HE PLACED A KAPU ON THE SMALLER TREES



AFTER HE DIED IN 1819 HOWEVER, HIS SON LIHOLIHO PERMITTED OTHER CHIEFS TO SHARE IN THE SANDALWOOD TRADE. THE ALII LOOKED AT THE SANDALWOOD AND SAW GUNS, SILKS, SHIPS AND LOTS OF HAOLE GOODS.

BEFORE THE HAOLE TRADERS CAME, THE ALII COULD TAKE FROM US ONLY THOSE GOODS THAT WE PRODUCED.

BUT NOW, THEY EXPECTED MORE..... ENTIRE VILLAGES WERE OFTEN SENT INTO THE MOUNTAINS TO CUT DOWN SANDALWOOD TREES AND CARRY THE LOGS TO THE SEASHORE.

MEANWHILE OUR FIELDS WERE LEFT UNTENDED.

WE ALSO CONTRACTED HAOLE DISEASES AGAINST WHICH WE HAD NO NATURAL IMMUNITY. SOON MANY HUNDRED OF US BEGAN TO DIE OF FAMINE AND DISEASE. STILL MORE DIED OF EXPOSURE TO THE CONDITIONS IN THE COLD DAMP MOUNTAINS.

ONE DAY WHILE I WAS STACKING LOGS, WHO SHOULD I SEE BELOW BUT MILU, THE ALII WHO HAD TAKEN NOHEA FROM ME SO MANY YEARS AGO.
PERHAPS IT WAS THE EXHAUSTION — PERHAPS IT WAS A FEVER IN MY BRAIN, I DON'T KNOW. MY MIND WENT BLANK.
I MOVED TOWARD THE SUPPORT THAT HELD THE LOGS IN PLACE AND....
THUD
WHAP

NOW I HAD DONE IT! THERE WAS NOTHING LEFT FOR ME TO DO BUT FLEE.

MILU'S MEN LOOKED FOR ME HIGH AND LOW.

I HAD HEARD OF HAWAIIANS JOINING THE CREWS OF FOREIGN SHIPS. SO THAT NIGHT, WHEN I COULD NOT BE SEEN, I SWAM TO ONE OF THE SHIPS — AND TO A NEW AND MORE DANGEROUS LIFE THAN I COULD EVER HAVE IMAGINED.

EPISODE III

Following Captain Cook's visit, the Islands were not visited again by foreigners for another seven years. The publication of Cook's Voyages in 1784 placed Hawai'i on the maps of navigators and explorers. Soon, Hawai'i became an important supply and refreshment base for ships crossing the Pacific. The first to discover this "fair haven" were the fur traders, engaged in trading furs and sea otter skins from the Northwest Coast for Chinese goods. Then ships from many western nations put in at Hawai'i's ports.

In addition to obtaining fresh provisions such as pigs, fowls, yams, fruits, vegetables, water, and firewood, foreign ships could also recruit Hawaiian seamen and refresh scurvy-ridden crew. In return, Hawaiians received iron, utensils, guns and ammunition and tools such as chisels, knives, and axes.

By 1810, the fur trade had merged into a new trade -- sandalwood -- which was discovered in Hawai'i by ship captains. China demanded sandalwood to make into incense and burn in the temples. The peak of this trade was between 1816 and 1824; by the early 1840s the sandalwood era had come to an end. Both the fur trade and the sandalwood trade were victims of depletion of supply.

Trade with the outside world greatly affected the culture and economy of Hawai'i. Foreigners brought new plants and animals to Hawai'i, among them were melons, pumpkins, onions, Irish potatoes, cabbage, Indian corn, horses, cattle, and sheep. Hawaiians, especially the ali'i, acquired new taste for foreign luxuries. A few foreigners were even employed by the king as advisors. The coming of foreigners was also disastrous to native health. Common western illnesses such as measles, common colds, and influenza were often fatal to natives, and contributed to a rapid decline of the Hawaiian population. Between 1778 and 1823, the native population of Hawai'i had declined by more than one-half.

EPISODE III QUESTIONS

1. Why did foreign ships begin stopping in Hawai'i in the early 1800s? List at least three things that foreign ships may have been seeking in Hawai'i.

2. Why did European sailors give the Hawaiians seeds for corn, cabbage, and other "haole" fruits and vegetables? Were the "haoles" just being generous?

3. Why was sandalwood so valuable in the 19th century? What was it used for?

4. The "cost" of something is whatever a person or a society gives up in order to have it. What did the sandalwood trade "cost" the early Hawaiians? What were the benefits of the sandalwood trade to the early Hawaiians?

EPISODE IV. MOKU GUTS WHALING

THE JEZEBEL WAS A WHALING SHIP – ONE OF THE MANY THAT HAD BEGUN STOPPING OFF IN HAWAIIAN PORTS IN THE 1820'S.

NO SOONER WAS I DISCOVERED ON BOARD THAN I WAS MADE A MEMBER OF THE CREW. THE WORK OF THE SEAMAN ABOARD A WHALER WAS EXHAUSTING.

REPAIRING RIGGING, ROPES, SAILS; SWABBING DECKS; BRINGING UP SCUM-WATER FROM THE BILGES; THESE WERE ENDLESS CHORES FOR ME.

LIFE AT SEA DID HAVE ITS LIGHT MOMENTS THOUGH, AFTER SUPPER THE MEN RELAXED, TOLD STORIES AND ENTERTAINED EACH OTHER.

THE SAILORS' LANGUAGE WAS ROUGH, AND I LEARNED MANY HAOLE WORDS.

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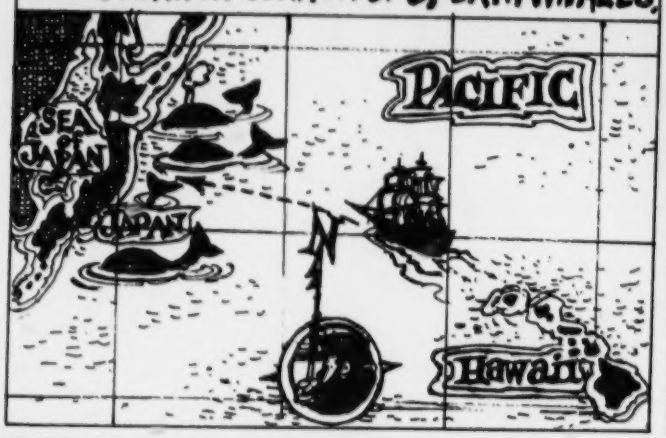
THE JEZEBEL, I LEARNED, WAS BOUND FOR THE WHALING GROUNDS OFF JAPAN IN SEARCH OF SPERM WHALES.



WE HAD BEEN AT SEA A MONTH OR MORE WHEN I REALIZED I HAD NEVER SEEN THE CAPTAIN. NO ONE WANTED TO TALK ABOUT HIM.

THEN ONE NIGHT WHILE I WAS STANDING STARBOARD WATCH, I HEARD A STRANGE SOUND.

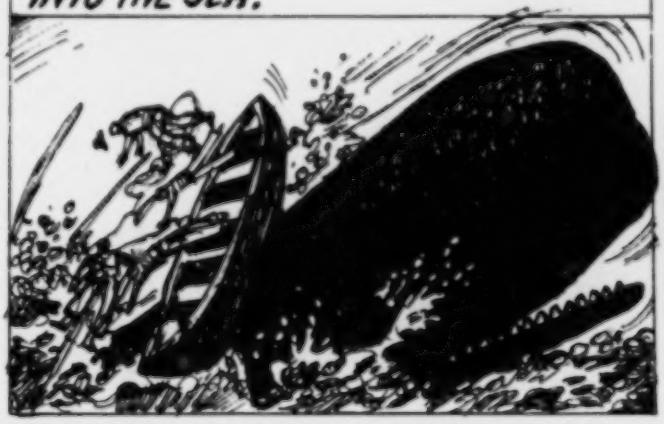
I WHEELED AROUND.....

WELL, YE'D BETTER BE READY, GRASS-HOPPER. EVERY MAN ABOARD THIS SHIP MUST BE A WHALE-KILLER. BEFORE THIS VOYAGE IS OVER, THESE DECKS WILL RUN RED WITH THE BLOOD OF THE LEVIATHAN.
THIS IS THE LOT THAT PROVIDENCE HAS ASSIGNED TO YE, GRASSHOPPER. YE'VE TRADED YOUR GREEN HAWAIIAN HOMELAND FOR THE TERROR OF THE DEEP. BE READY!
GULP.
KLUNK! KLUNK!
THE NEXT DAY I SAW MY FIRST WHALE
THAR SHE BLOOOWS!
WE TOOK TO THE BOATS LIKE LIGHTNING AND THE CHASE WAS ON!
AS WE DREW NEAR THE WHALE, THE HARPOONER RAISED HIS SPEAR. AT JUST THE RIGHT MOMENT HE HURLED THE HARPOON!

LUCK WAS WITH US THAT DAY. WE KILLED FIVE WHALES WITHOUT THE LOSS OF A SINGLE MAN OR BOAT.

IN DAYS THAT FOLLOWED, WE WERE LESS FORTUNATE. ONE BOAT WAS SMASHED....

AND THREE MEN WERE DROWNED WHEN A WHALE LIFTED A BOAT OUT OF THE WATER CAUSING EVERYONE IN IT TO BE SPILLED INTO THE SEA.



WE STAYED IN THE "JAPAN GROUNDS" FOR SEVEN MONTHS BEFORE RETURNING TO HAWAII. AS WE PUT INTO LAHAINA MY HEART POUNDED. IT WAS GOOD TO BE BACK.

WE ARRANGED TO HAVE OUR WHALE OIL LOADED ONTO ANOTHER SHIP TO BE TAKEN BACK TO NEW ENGLAND. THE CREW WAS PAID PART OF ITS WAGES AND WE HEADED INTO TOWN FOR SOME LONG-AWAITED EXCITEMENT.

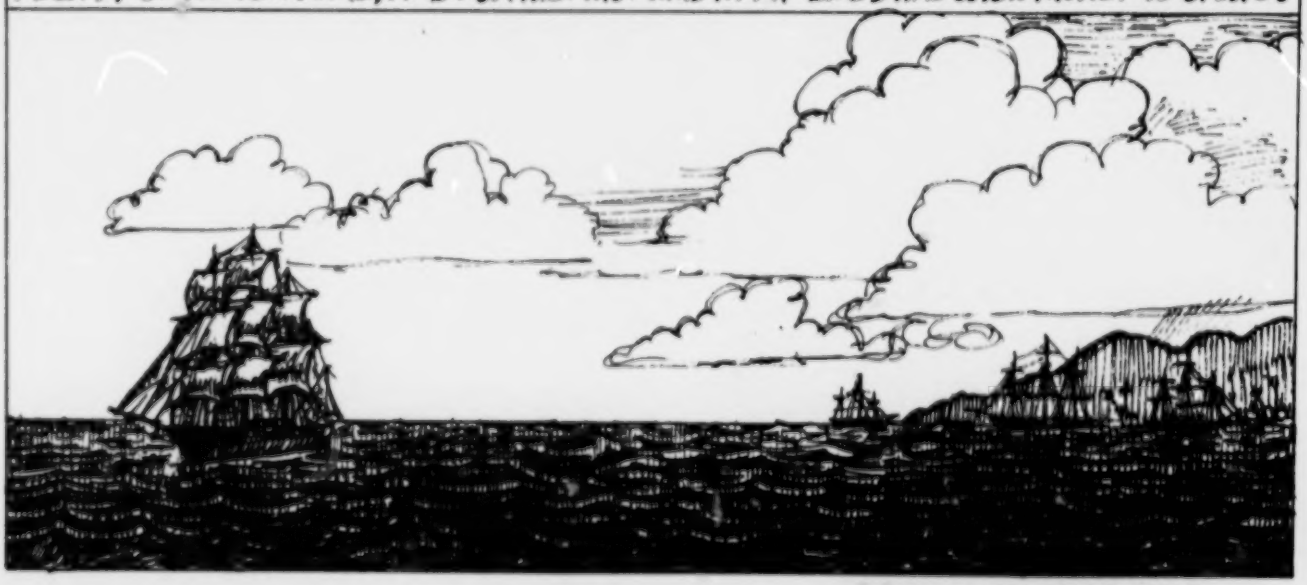
WHILE IN LAHAINA I COULD SEE WHAT WHALING MEANT TO THE LOCAL ECONOMY.

THE WHALING TRADE HAD CREATED MANY BUSINESSES....

AGRICULTURE FLOURISHED AS THE SHIPS TOOK ON SUPPLIES OF FRESH FOOD.

WHALING HAD BECOME THE NEW BASIS OF HAWAII'S ECONOMY. MEASURED IN MONEY TERMS THE WHALING TRADE WAS AS IMPORTANT AS ALL OTHER TRADE TAKEN TOGETHER.

WE SOON SPENT MOST OF OUR WAGES AND WE WERE OUT AFTER WHALES AGAIN. I GREW TO LOVE MY LIFE AT SEA AND I HAVE TO SAY I DID VERY WELL. THERE WAS PLENTY OF ADVENTURE, AND FOR THE FIRST TIME IN MY LIFE I HAD CASH MONEY TO SPEND.



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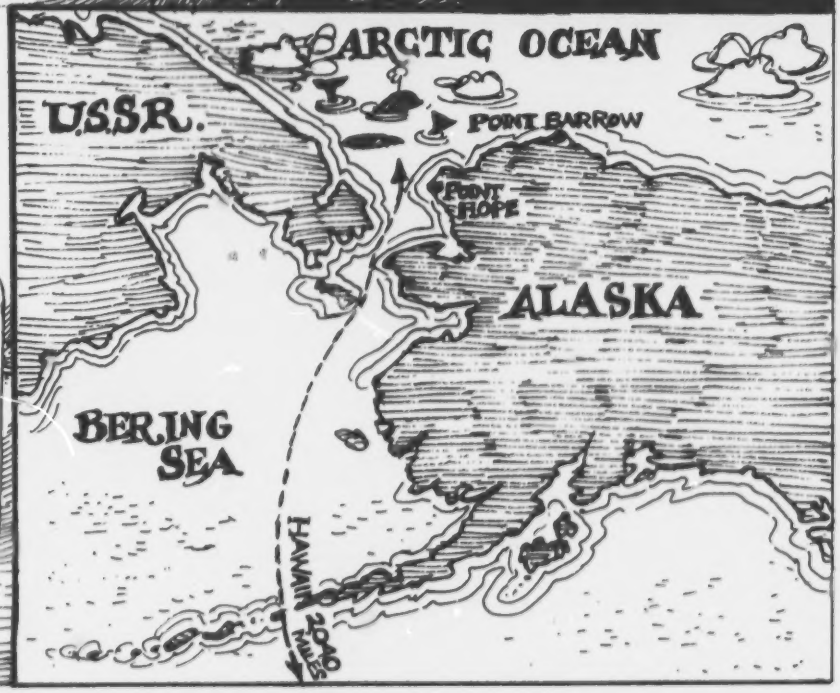
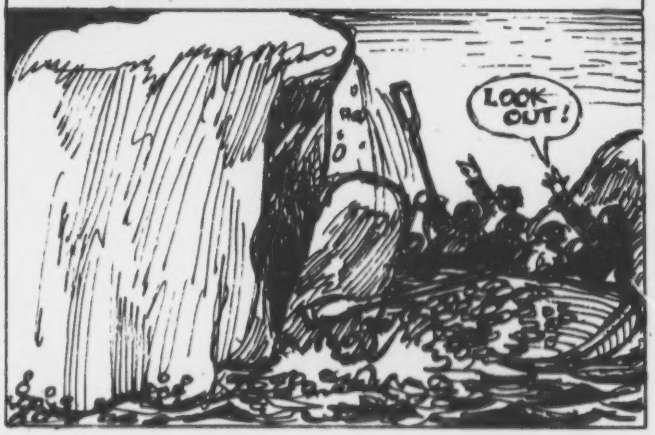
I SAILED WITH THE JEZEBEL FOR OVER 15 YEARS. BY THE 1840'S, HOWEVER, THE SUPPLY OF WHALES IN THE PACIFIC WAS DECLINING. VOYAGES BECAME LONGER AND MORE COSTLY AND TOOK US FURTHER NORTH, AS THE GREAT WHALES SOUGHT TO ESCAPE US IN THE ICE FIELDS OF THE ARCTIC OCEAN.

THUS IT WAS THAT IN THE SUMMER OF 1846 WE FOUND OURSELVES PART OF A SMALL FLEET OF WHALERS IN VERY HIGH LATITUDES BETWEEN ICY CAPE AND POINT BARROW.

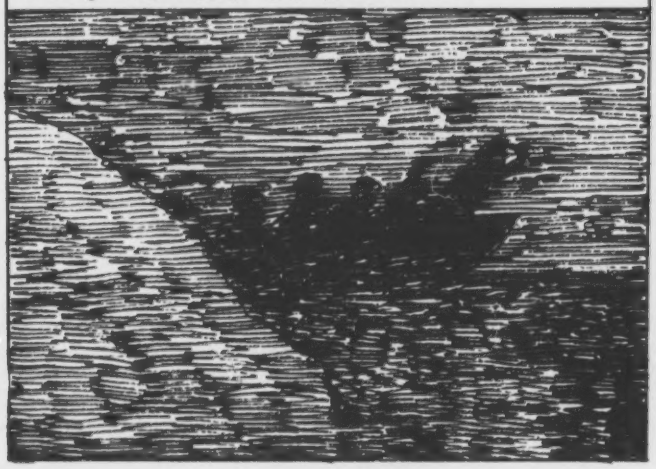


I HAD NEVER SEEN ANYTHING LIKE IT. THE SEA WAS FULL OF WHALES.

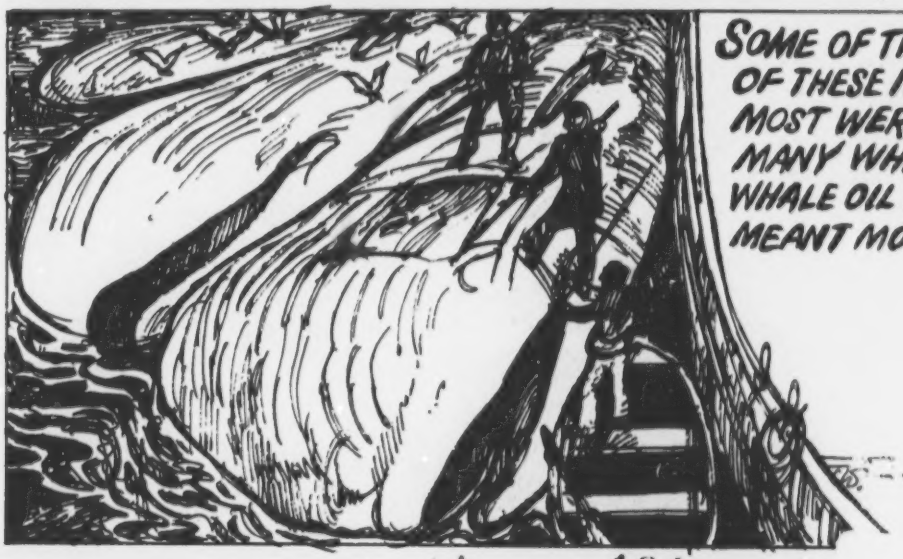
ICE, HOWEVER MADE THE CATCHING MORE DIFFICULT. WE RODE AMONG THE FLOWS, RISKING DISASTER IN OUR FRAIL BOATS.



SOMETIMES THE ARCTIC FOG BECAME SO DENSE WE COULD NOT SEE A FOOT IN ANY DIRECTION.



SEVERAL TIMES THE JEZEBEL WAS NEARLY CRUSHED BY ICEBERGS, BUT EACHTIME THE SEAMANSHIP OF UZZIAH SAVED HER.

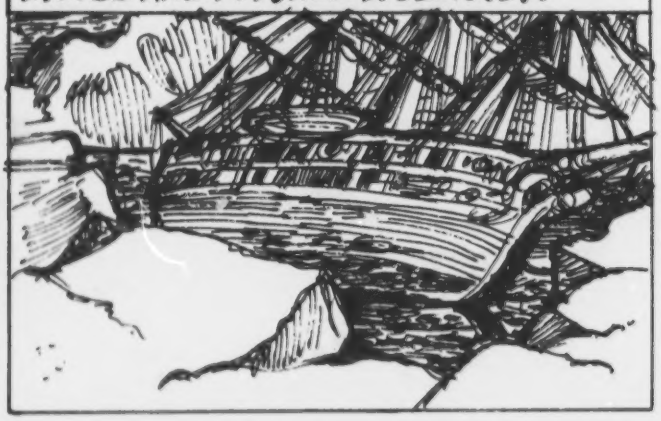


SOME OF THE MEN COMPLAINED OF THESE NEW DANGERS, BUT MOST WERE HAPPY TO HAVE SO MANY WHALES TO KILL. MORE WHALE OIL AND WHALE BONE MEANT MORE MONEY FOR US ALL.

WE STAYED THROUGH AUGUST AND NEARLY HAD A FULL LOAD OF OIL WHEN DISASTER STRUCK. ONE SEPTEMBER MORNING, TWO GIGANTIC ICE FLOES MOVED INTO TRAP OUR SHIP – AND THE OTHERS IN OUR FLEET.

IT GREW COLDER AND COLDER AND SOON THE SHIPS LAY HELPLESS IN THE ICY GRIP OF THE FROZEN SEA.

SOON A GALE BLEW UP. THE WIND SHRIEKED AND THE ICE MOVED AND PITCHED VIOLENTLY.



SUDDENLY, FROM INSIDE OUR SHIP WE FELT A TERRIBLE IMPACT AND HEARD THE SICKENING NOISE OF SHATTERING TIMBERS. THE ICE WAS CRUSHING THE JEZEBEL LIKE AN EGG.

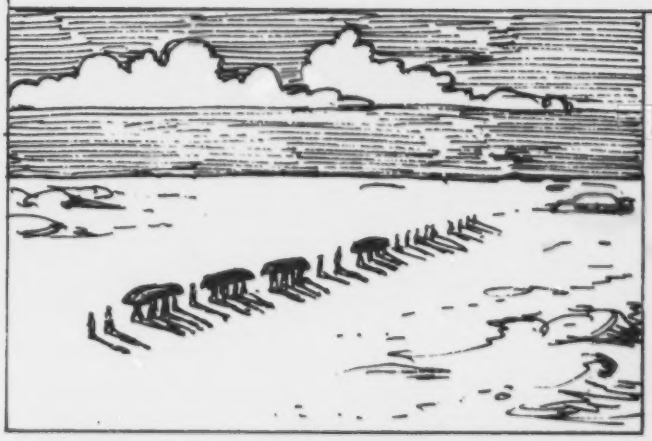
IT CLEARED THE NEXT DAY BUT OUR FATE WAS PLAIN. WE WOULD HAVE TO ABANDON OUR SHIPS AND WALK ALMOST 100 MILES ACROSS THE ICE TO THE SAFETY OF A SETTLEMENT FURTHER SOUTH.

THE CAPTAINS OF ALL THE OTHER BOATS AGREED THAT THERE WAS NOTHING LEFT TO DO. UZZIAH HOWEVER WAS STEADFAST IN HIS REFUSAL TO LEAVE HIS STRICKEN SHIP AND ITS VALUABLE CARGO.

I'LL NOT LEAVE THE JEZEBEL AS LONG AS I HAVE AN ANCHOR LEFT OR A SPAR TO CARRY SAIL!

WE LEFT HIM RAVING ON THE ICE.

WE CARRIED OUR SMALL BOATS FOR MILES....



AND WHEN WE COULD, WE CROWDED INTO THEM AND MADE OUR WAY SLOWLY THROUGH THE ICY CHANNELS.

AFTER 26 DAYS OF FREEZING COLD AND NEAR STARVATION, WE REACHED THE SAFETY OF POINT HOPE.

BEST COPY AVAILABLE

THAT FOLLOWING SPRING, I RETURNED WITH ANOTHER SHIP TO THE PLACE WE HAD LEFT UZZIAH AND THE STRICKEN FLEET.
THE ICE AND STORMS HAD DONE THEIR WORST. THERE WAS NO TRACE of UZZIAH...
ONLY THE FROZEN BONES OF THE JEZEBEL....
AND A RUSTY OLD HARPOON.

EPISODE IV

Until the middle of the nineteenth century, men hunted whales mainly for their oil. Most of the oil was used for making candles and lighting lamps.

The first whaling in the Pacific began around 1790. The real flood of whaling ships did not descend upon the Hawaiian Islands until around the 1820s when news spread of the discovery of rich sperm whale grounds off the coast of Japan, which was then 40 days' sail from Hawai'i. After 1840, with diminishing returns from the Japan and Yellow Seas, new whaling grounds were discovered further north off the northwest coast and later in the Arctic Ocean about a month's sail from the Islands. Hawai'i, being centrally located in these Pacific whaling grounds, was an ideal location for whalers to stop to repair their ships and to restock their provisions, especially during the winter months which brought stormy weather to the northern waters. Lahaina, on Maui, was a popular anchorage because Lahaina Bay was such a large and sheltered body of water that it could accommodate hundreds of ships at one time.

The period of prosperity for whaling lasted until around 1860. The whaling trade declined rapidly after the American Civil War due to the growing scarcity of whales. At its peak, more than 500 whaling ships stopped in Hawai'i in a year. In 1880, only 16 whalers arrived in the Islands.

The whaling trade had a number of important effects. It gave continued encouragement to diversified farming after the decline of fur and sandalwood trades. Perhaps, more significantly, it contributed to the dilution of native Hawaiian culture, particularly around the seaports such as Honolulu, Lahaina, and Hilo where natives mingled with large numbers of visiting sailors and some permanent derelict seamen and were exposed to foreign ways.

EPISODE IV QUESTIONS

1. It is reported that many Hawaiians signed on for duty on American and European whaling ships in the 1800s. Why do you think these Hawaiians wanted to go to sea on "haole" ships?

2. How did the whaling trade affect the economy of Hawai'i? What kinds of businesses were encouraged by the whaling trade?

3. What was the main reason for the decline of the whaling trade after 1860?

4. How did the whaling trade affect Hawaiian culture? Do you think these effects were good or bad? Explain your reasons.

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HOURS LATER....
WELL IHU, WHAT ARE YOU GOING TO DO NOW?
I'VE BEEN THINKING ABOUT BEING A PANIOLO, OR MAYBE I COULD HELP YOU FOLKS HERE AT HOME... IF YOU'D LET ME.
WE SURE COULD USE YOU HERE IHU, WELCOME HOME.
THE MONTHS THAT FOLLOWED SAW ME HARD AT WORK IN THE TARO FIELDS.
THEN ONE MORNING.....
HEAR YE! HEAR YE! THE KING HAS DECLARED A MAHELE.

EACH AND EVERY HAWAIIAN, CHIEF AND MAKA'ĀINANA ALIKE CAN FILE CLAIM TO FEE SIMPLE TITLE ON HIS OWN LAND.
FURTHERMORE .... BLAH BLAH BLAH.
WHAT DO YOU THINK THAT MEANS IHU? DON'T WE ALREADY OWN OUR LAND?
I DON'T KNOW, KIMO.
WHAT DO YOU MEAN "TITLE" TO OUR OWN LAND?
A "TITLE" WILL LET EVERYONE KNOW THAT THE LAND YOU CLAIM IS YOURS FOREVER, AND NO ONE CAN TAKE IT AWAY FROM YOU WITHOUT YOUR CONSENT.
WAIT! NO!
HMMM....
IT SOUNDS LIKE A LOT OF HAOLE TALK TO ME. I DON'T GET IT, DO YOU IHU?
YES, I THINK I DO GET IT. NO ONE IS EVER GOING TO TAKE ANYTHING AWAY FROM ME AGAIN.

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EPISODE V

At the time of Captain Cook's arrival in Hawai'i, the Islands were still independent. Society was feudal in structure. That is to say, the chieftain (ali'i nui) of each island was the acknowledged king and the lord and proprietor of the land. All persons held land at his discretion and upon payment of taxes. The ali'i nui gave rights to hold moku and ahupua'a to lesser chiefs who in turn distributed rights over smaller jurisdictions to those of lower rank, an ultimately down to the individual kuleana, which were small plots of land held by maka'āinana (commoners).

Today, when someone dies, their property, including any land they may own, may be passed on to friends or relatives. In ancient Hawai'i, no one held hereditary rights to land. Even for the ali'i, upon death, their lands reverted to the king, and were often redistributed to others. When Kamehameha I united all the Islands by conquest at the beginning of the 19th century, he distributed the subject lands to his friends and followers. Over time, a system consisting of automatic succession, similar to today's system evolved. This meant land passed from a tenant to a designated successor. A tenant did not secure fee simple (ownership) title.

Not long after the haoles came, there was much agitation for major land reform to allow fee simple ownership of land. It was argued that fee simple ownership would encourage the in-flow of much needed capital into Hawai'i, and would also encourage native productivity because no longer would anyone fear arbitrary dispossession. Concern was expressed that foreigners would take over the country if they also were given right to own land in fee simple. In 1850, foreigners were also given the right to own land in fee.

A sequence of events led to the Great Māhele (Great Divide) in 1848 which gave natives the right to file for fee simple title to the lands which they occupied and cultivated. For the first time in history, the common man owned part of the land. However, the Hawaiians did not know very much about the law, and many of them did not bother to sign the legal papers that would make the land theirs. Most of those who did sign the papers sold their land to haoles. The haoles knew that they could make great profits from the land. The Hawaiians, on the other hand, did not fully understand the concept of private property.

Thus the Great Māhele, which was suppose to make it possible for the Hawaiians to own part of the land, simply transferred much of the land from the king to the haoles. Few Hawaiians really benefitted.

TABLE

Under the Great Māhele, the land was divided approximately as follows:

	ACRES
Crown lands reserved for the king's use.....	984,000
Lands granted to the chiefs.....	1,619,000
Government lands, as distinct from crown lands..	1,495,000
Lands granted to commoners.....	28,000
	4,126,000

EPISODE V QUESTIONS

1. What was the Great Māhele? Explain briefly in your own words.

2. Under the Māhele, who received most the land?

3. What happened to most of the land that was originally given to the maka'āinana (commoners)?

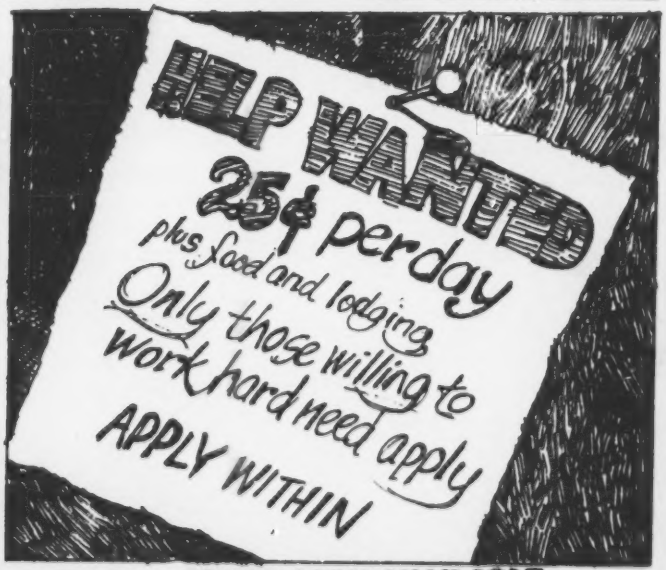
4. Do you think the Great Māhele was good for Hawai'i? Why or why not?

EPISODE VI: THE SWEETEST EPISODE

AFTER LEAVING HOME I WANDERED FROM ISLAND TO ISLAND FOR MANY YEARS WORKING AT ANY JOB I COULD GET . . . . FINALLY I WOUND UP IN LAHAINA. I WAS PENNILESS AND SAD.

I HAD THOUGHT I MIGHT GO BACK TO WHALING, BACK TO THE SEA, BUT THERE WERE NO JOBS

FINALLY A SIGN CAUGHT MY EYE.



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IT LOOKED LIKE A GOOD DEAL AND I WAS WELL QUALIFIED.

SO, I SIGNED UP.

THE NEXT MORNING, OTHER WORKERS AND I WERE TAKEN TO OUR NEW JOBS.

I WAS HOUSED IN THE SINGLE MEN'S QUARTERS.

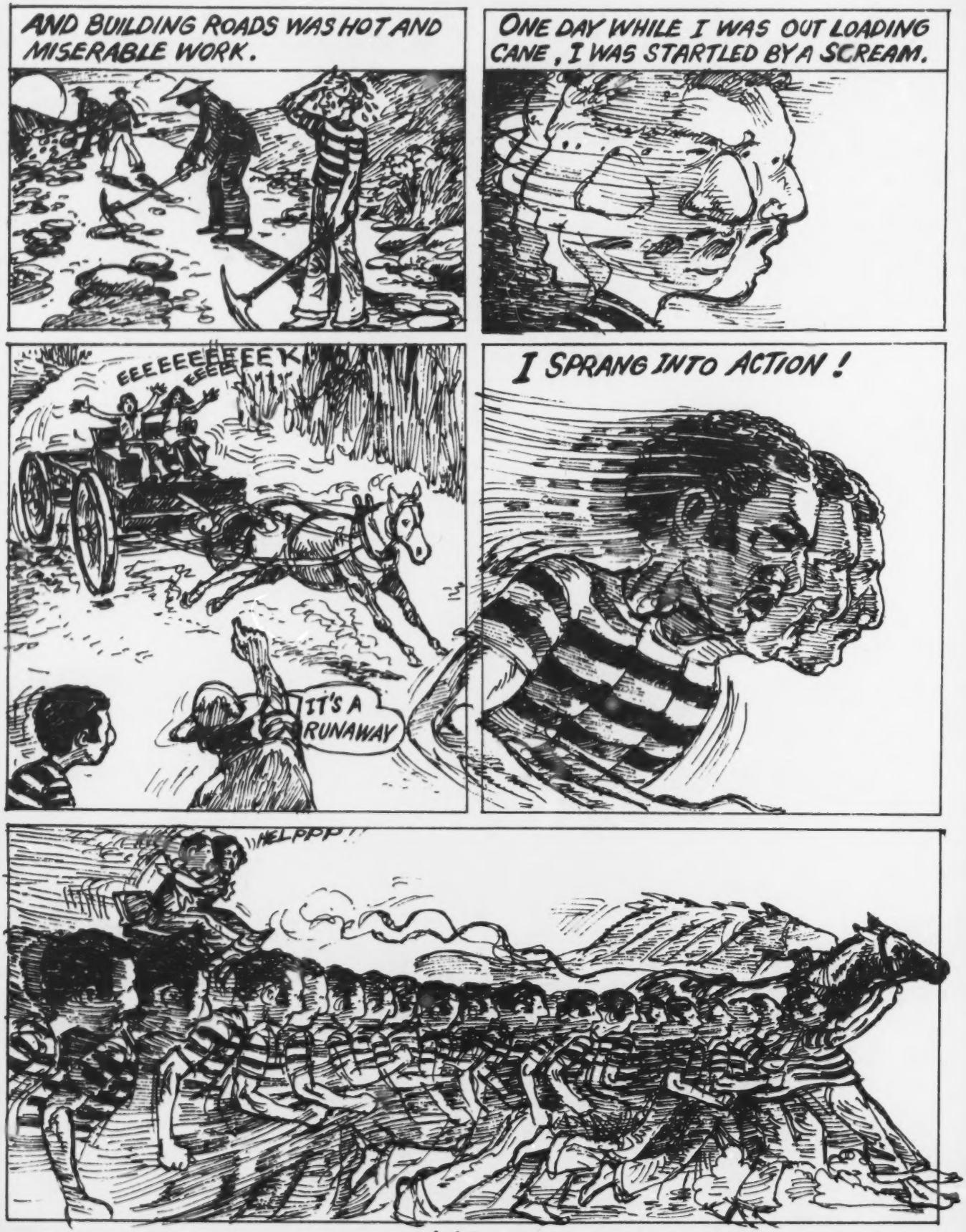
EH, HOWZIT BRAH? MY NAME IS NUI, IHU NUI.

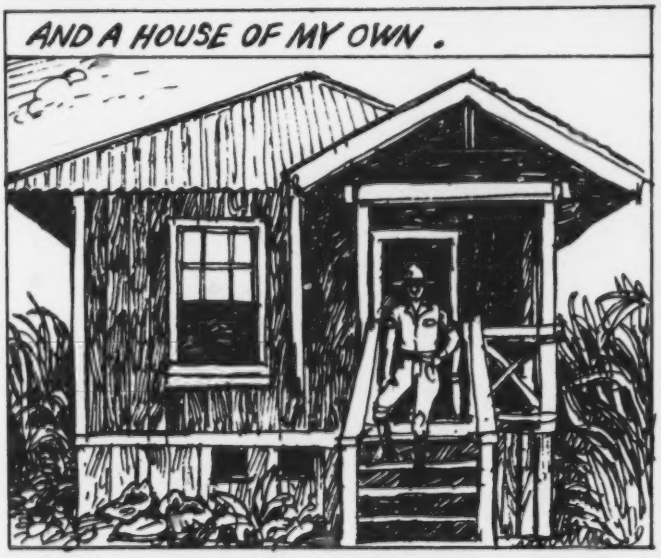
?

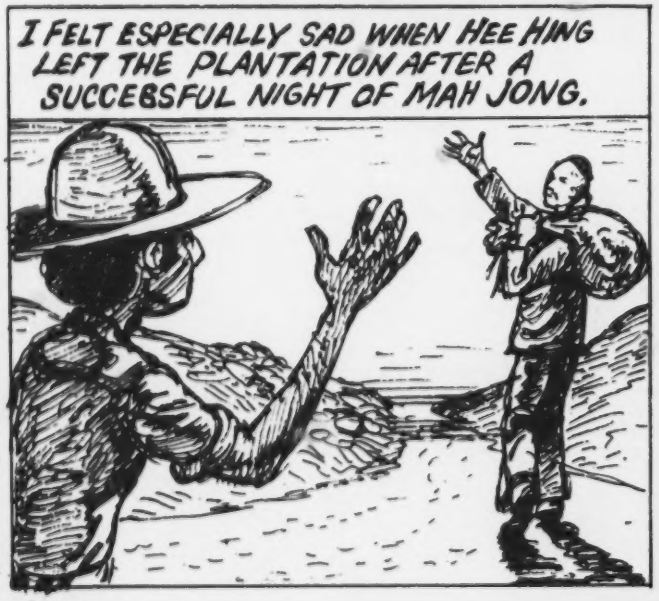
?

你好嗎?

MY NEW FRIEND, I SOON LEARNED, CAME FROM CANTON, CHINA. HIS NAME WAS HEE HING. HE HAD COME TO HAWAII WITH MANY OF HIS COUNTRYMEN AS A CONTRACT LABORER.
SOME OF HIS FRIENDS WENT HOME AFTER THEIR CONTRACTS WERE PAU; OTHERS WENT TO HONOLULU TO START THEIR OWN BUSINESSES...
BUT HEE HING STAYED ON
"HEE HING NO CAN SAVE MONEY TO BUY STORE, IHU."
THAT NIGHT I LEARNED WHY HEE HING WAS HAVING TROUBLE SAVING MONEY.
THE NEXT MORNING I WAS INTRODUCED TO THE LUNA.
GET UP YOU ☆◎*!!!
CLEARING LAND FOR PLANTING SUGAR WASN'T MUCH FUN...


AND BUILDING ROADS WAS HOT AND MISERABLE WORK.
ONE DAY WHILE I WAS OUT LOADING CANE, I WAS STARTLED BY A SCREAM.
EEEEEEEEEEEK
EEEE
IT'S A RUNAWAY
I SPRANG INTO ACTION!
HELPPP!!





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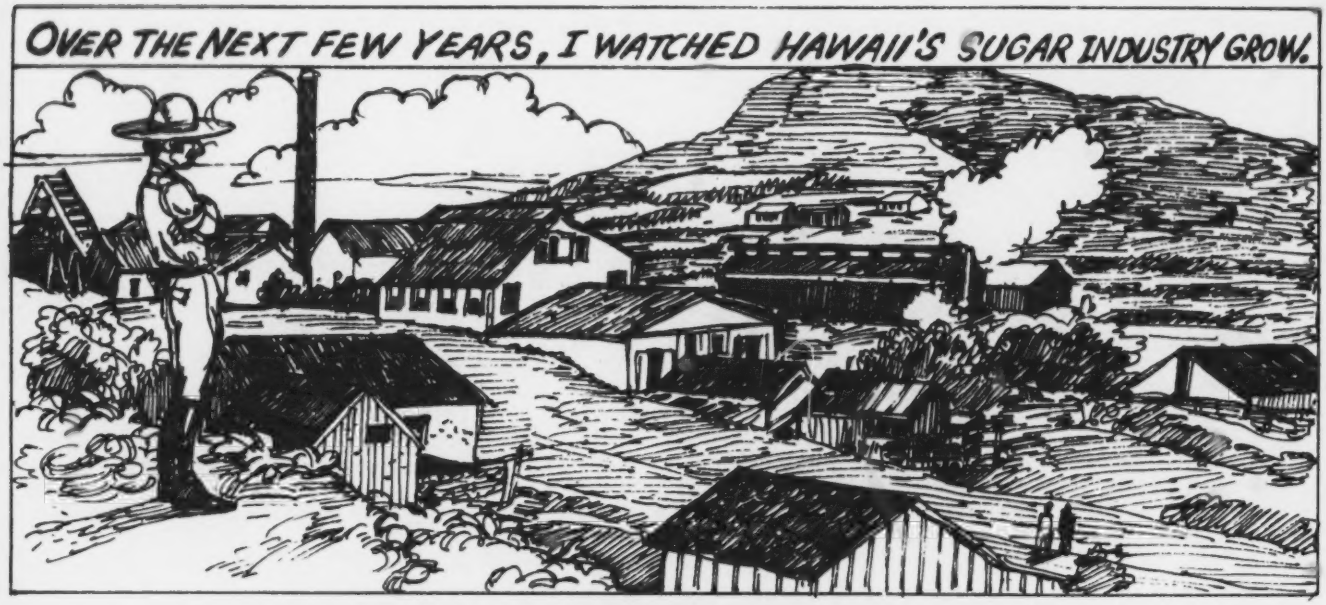
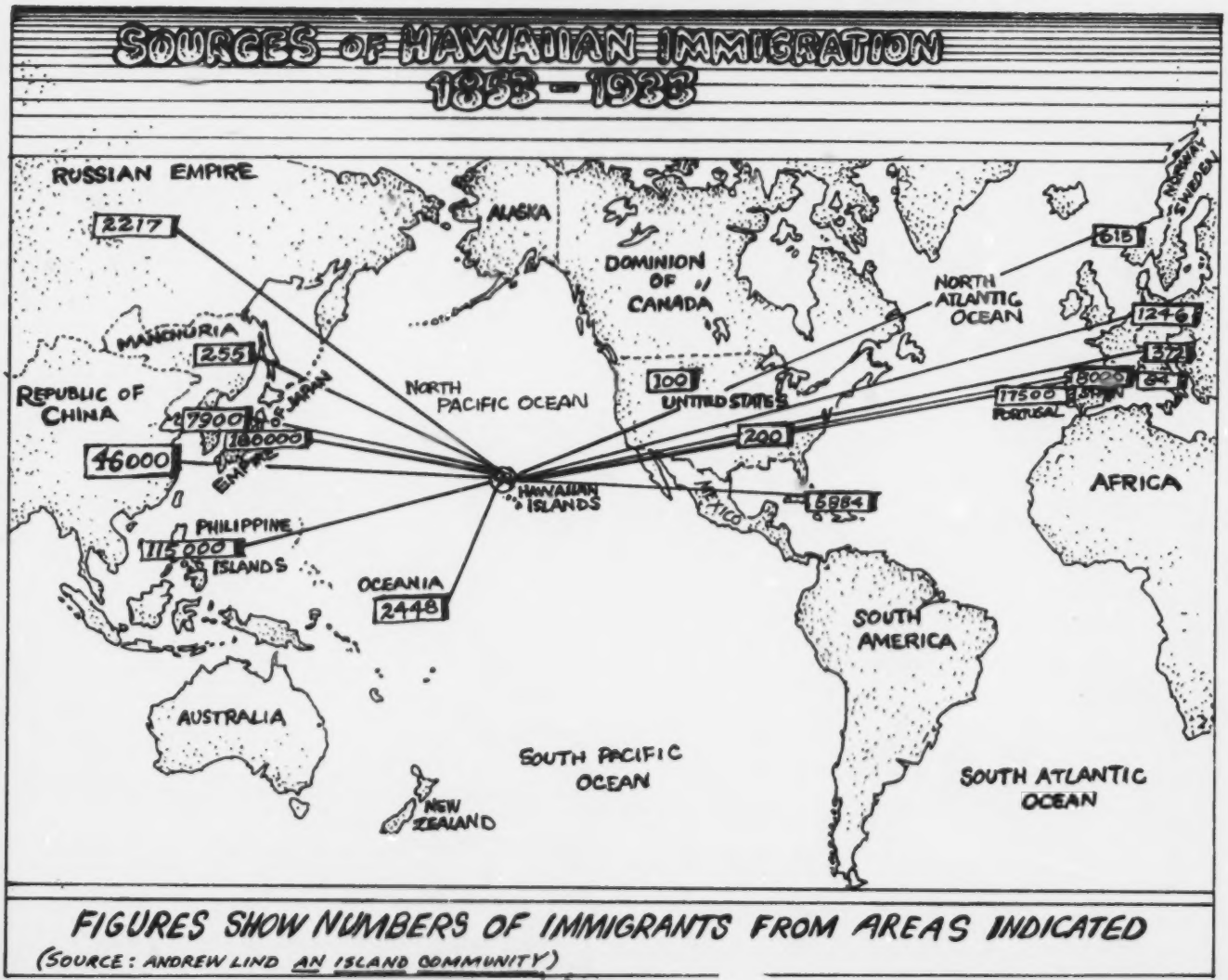


WORKERS CAME TO HAWAII FROM MANY LANDS...



FIGURES SHOW NUMBERS OF IMMIGRANTS FROM AREAS INDICATED

(SOURCE: ANDREW LIND AN ISLAND COMMUNITY)

AND SOON IRRIGATION WAS BROUGHT TO THE FIELDS.

LAND THAT WAS ONCE ARID FLOURISHED WITH CANE.

AS FOREMAN, I SOMETIMES TRAVELED TO HONOLULU TO CHECK ON SHIPMENTS OF SUPPLIES. I ENJOYED THESE TRIPS AS A BREAK IN ROUTINE.

ONE DAY WHILE IN HONOLULU...

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HEE HING HAD BEEN IN HONOLULU SINCE LEAVING THE PLANTATION. HE NOW HAD A THRIVING DRY GOODS BUSINESS...

AND A BEAUTIFUL DAUGHTER NAMED LI HING.

I WAS IN LOVE AND SO WAS SHE.

WITH HEE HING'S CONSENT, WE WERE MARRIED...

AND SHE BECAME MRS. LI HING NUI.

EPISODE VI

Sugar cane was growing in Hawai'i long before Captain Cook's arrival. The first attempt to cultivate cane is credited to a Chinese man who came to Lāna'i in 1802. This enterprise was not a commercial success and he returned to China the following year. Thereafter, there were limited attempts to produce sugar, although none of these ventures was of commercial importance.

The first commercial sugar plantation was that of Ladd and Company, founded at Kōloa, Kaua'i, in 1835. Technical problems in production and difficulties in finding a ready market posed significant obstacles to maintaining production and to providing sufficient incentives for expansion.

The major impetus for expansion came with the American Civil War (1861-1865) when the Northern blockade of Southern ports cut off the supply of Louisiana sugar. This resulted in skyrocketing sugar prices. Although prices declined following the War, the sugar industry of Hawai'i had already survived its infancy. Partly due to the stimulus of the Reciprocity Treaty (1876) which allowed Hawaiian sugar to be imported into the U.S. duty free, and partly due to continuing technological breakthroughs in production, the industry expanded rapidly until around 1930. Thereafter, until 1974, the industry was nurtured under the protection of the U.S. Sugar Act which limited foreign imports of sugar into the U.S. and guaranteed a market for Hawaiian sugar.

The early entrepreneurs* faced a number of difficult economic problems. To meet a rising demand for sugar, land, capital, and labor had to be secured. There was a constant search for suitable land for cultivation which pushed the margin of cultivation into lands largely unoccupied before. Capital, initially, was diverted from enterprises which were declining with the passing of whaling. The major part of the capital for expansion until the turn of the century came from foreign sources and much later from reinvested profits.

Perhaps the most difficult problem encountered was the scarcity of labor. By 1860, the native population had declined to less than 85,000, hence labor had to be recruited from elsewhere. The first large group of foreign laborers came to Hawai'i from China in 1852. From the 1860s on, workers were recruited from many areas of the world. The most numerous among these were the Chinese, Japanese, Portugese, and Filipinos.

Most of the immigrant workers came as indentured contract workers, offering their labor services for a few years in exchange for transportation, wages, room and board, and health care services. At the end of their contracts, some returned to their home country, but a large number of them stayed to make Hawai'i their permanent home.

*Note: An "entrepreneur" is person who organizes a business who undertakes a risk for the sake of profit.

In his recent book*, Professor Beechert noted that the conditions for agricultural workers in Hawai'i were equal to or better than those of agricultural workers elsewhere in the U.S. or in other sugar-growing areas. However, there were frequent complaints by workers of ill-treatment or inadequate wages. The labor unrest often led to labor disturbances and unrest.

Two important political events occurred during the early period of the sugar industry. The Hawaiian monarchy was overthrown in 1893 and replaced by a Republic. Shortly thereafter, in 1898, Hawai'i was annexed by the United States and became a U.S. Territory, ending the era of the indenture system in Hawai'i. The years after annexation saw the rise of organized labor strikes on the sugar plantations and the introduction of labor unions to Hawai'i's labor market.

The sugar industry in Hawai'i is a declining industry today despite protection from the U.S. Government which restricts the importation of sugar produced in low-cost foreign countries thereby keeping domestic sugar prices high. Political pressure from various groups against the U.S. Government support for high domestic sugar prices plus declining demand for sugar consumption in the U.S. have made it increasingly difficult to keep marginal sugar producers in business. The recent announcement (1987) of the intent to close the

* Edward D. Beechert, Working in Hawaii, A Labor History (Honolulu: University of Hawaii Press, 1985), p. 123.

Waialua Sugar Company on O'ahu is the latest event in a series of major closures of sugar plantations in Hawai'i since the mid-1970s.

The major challenge before the sugar companies is to seek alternative economic uses for their sugar cane land.

EPISODE VI QUESTIONS

1. What were some of the problems that the early sugar growers had to overcome before sugar became a profitable industry?

2. Name some of the countries from which the sugar industry recruited workers in the 19th century. Which foreign country supplied most of the immigrant labor during this period?

3. How did the American Civil War affect the Hawaiian sugar industry?

4. Why was the Reciprocity Treaty of 1876 important for the Hawaiian sugar industry?

The following questions relate to the table entitled "Cane Sugar: Production in Hawai'i, located on the next page.

5. In what year did the total sugar production in Hawai'i first exceed one million tons?

6. In which three years did Hawai'i produce the most sugar?

7. In which three years, since 1936, did Hawai'i produced the least sugar? Can you think of some reasons as to why sugar production was low in these particular years?

8. What has happened to the number of acres allocated to the growing of sugar cane since 1969?

CANE SUGAR: PRODUCTION IN HAWAI'I

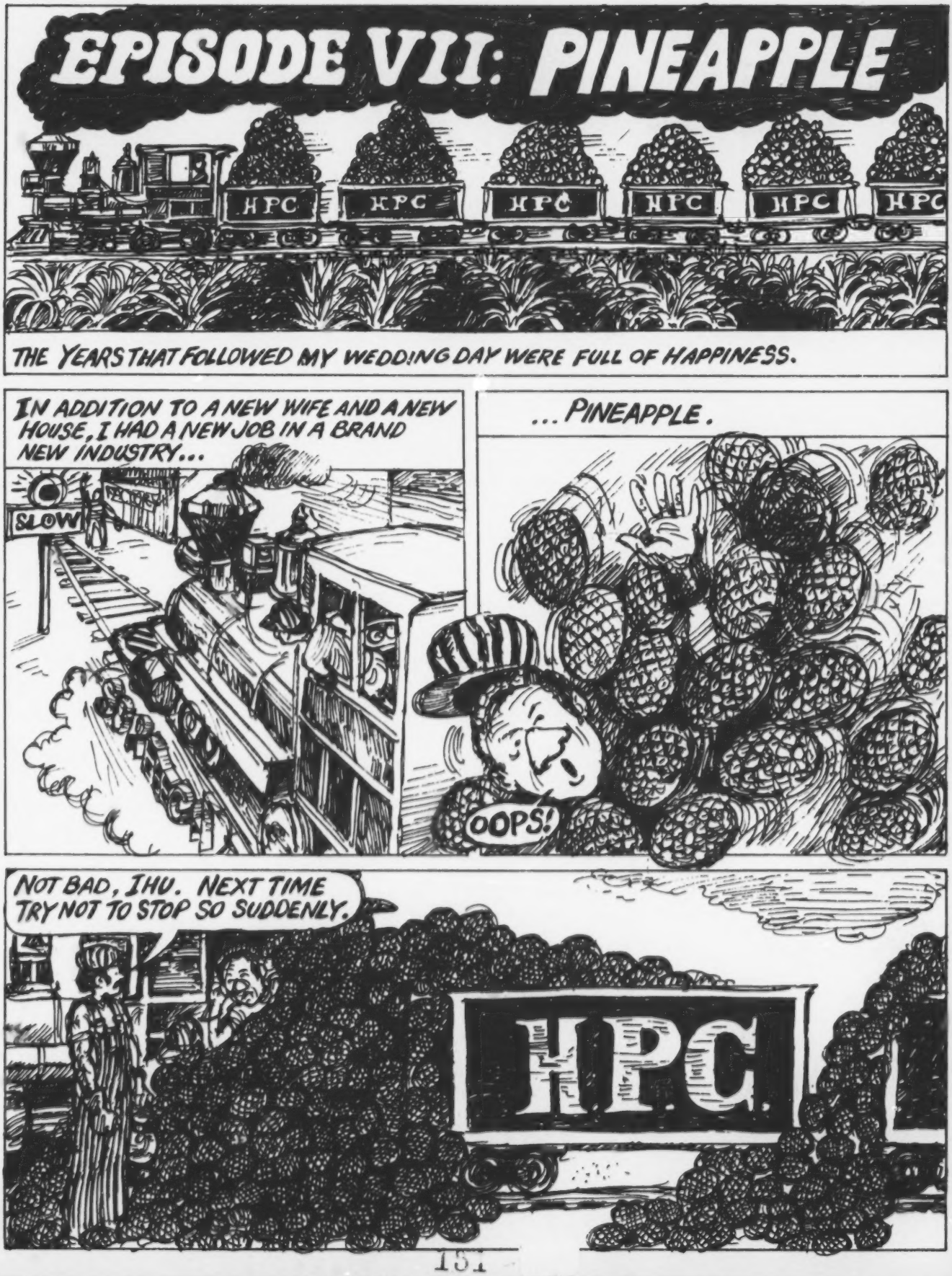
Production Year (Beginning Oct. 1st, Ending Sept. 30th)	Total cane land area (Acres)	Tons of Sugar Produced
1908-1909	201,641	545,738
1909-1910	209,489	529,940
1910-1911	214,312	582,196
1911-1912	216,345	607,863
1912-1913	215,741	556,654
1913-1914	217,470	624,165
1914-1915	239,800	650,970
1915-1916	246,332	596,703
1916-1917	247,476	654,388
1917-1918	246,813	582,192
1918-1919	239,844	607,174
1919-1920	247,838	560,379
1920-1921	236,510	546,273
1921-1922	228,519	618,457
1922-1923	235,134	554,199
1923-1924	231,862	715,918
1924-1925	240,597	781,000
1925-1926	237,774	804,644
1926-1927	234,809	831,648
1927-1928	240,769	920,887
1928-1929	239,858	925,140
1929-1930	242,761	939,287
1930-1931	251,533	1,018,047
1931-1932	251,876	1,057,303
1932-1933	254,563	1,063,605
1933 (Oct. 1-Dec. 31)	.....	127,317
1934*	252,237	959,337
1935.	246,491	986,849
1936.	245,891	1,042,316
1937.	240,833	944,382
1938.	238,302	941,293
1939.	235,227	994,173
1940.	235,110	976,677
1941.	238,111	947,190
1942.	225,199	870,099
1943.	220,928	885,640
1944.	216,072	874,947
1945.	211,331	821,216
1946.	208,376	680,073
1947.	211,624	872,187
1948.	206,550	835,107
1949.	213,354	955,890
1950.	220,383	960,961
1951.	221,212	995,759
1952.	221,990	1,020,450

Continued on next page

Production Year (Beginning Oct. 1st, Ending Sept. 30th)	Total cane land area (Acres)	Tons of Sugar Produced
1953.	221,542	1,099,316
1954.	220,138	1,077,347
1955.	218,819	1,140,112
1956.	220,606	1,099,543
1957.	221,336	1,084,646
1958.	221,683	764,953
1959.	222,588	974,632
1960.	224,617	935,744
1961.	227,027	1,092,481
1962.	228,926	1,120,011
1963.	231,321	1,100,768
1964.	233,145	1,178,770
1965.	235,576	1,217,667
1966.	237,499	1,234,121
1967.	239,813	1,191,042
1968.	242,476	1,232,182
1969.	242,216	1,182,414
1970.	238,997	1,162,071
1971.	232,278	1,229,976
1972.	229,611	1,118,883
1973.	226,580	1,128,529
1974.	224,227	1,040,742
1975.	221,426	1,107,199
1976.	221,351	1,050,457
1977.	220,729	1,033,739
1978.	220,697	1,028,933
1979.	218,773	1,059,737
1980.	217,718	1,023,232
1981.	216,099	1,047,541
1982.	204,749	982,913
1983.	194,258	1,044,204
1984.	188,396	1,061,814
1985.	187,858	1,012,249

*Beginning in 1934, data are by calendar year.

Source: Hawaiian Sugar Manual -- 1985/86. A Handbook of Statistical Information. Hawaiian Sugar Planters' Association. pp. 10-11.


EPISODE VII: PINEAPPLE
HPC
HPC
HPC
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HPC
HPC
THE YEARS THAT FOLLOWED MY WEDDING DAY WERE FULL OF HAPPINESS.
IN ADDITION TO A NEW WIFE AND A NEW HOUSE, I HAD A NEW JOB IN A BRAND NEW INDUSTRY...
SLOW
... PINEAPPLE.
OOPS!
NOT BAD, IHU. NEXT TIME TRY NOT TO STOP SO SUDDENLY.
H.P.C.

I WAS THE ENGINEER OF THE TRAIN THAT HAULED PINEAPPLE FROM THE FIELDS IN WAHIAWA TO THE CANNERY IN IWILEI.

WHEN I STARTED WORK FOR JAMES DOLE'S HAWAIIAN PINEAPPLE COMPANY IN 1904, NOT MANY PEOPLE ON THE MAINLAND KNEW ABOUT PINEAPPLE.

TO GET PEOPLE TO BUY PINEAPPLE, WE IN THE INDUSTRY MOUNTED A BIG ADVERTISING CAMPAIGN

SOON AMERICANS WERE EATING PINEAPPLE AND LOVING IT.

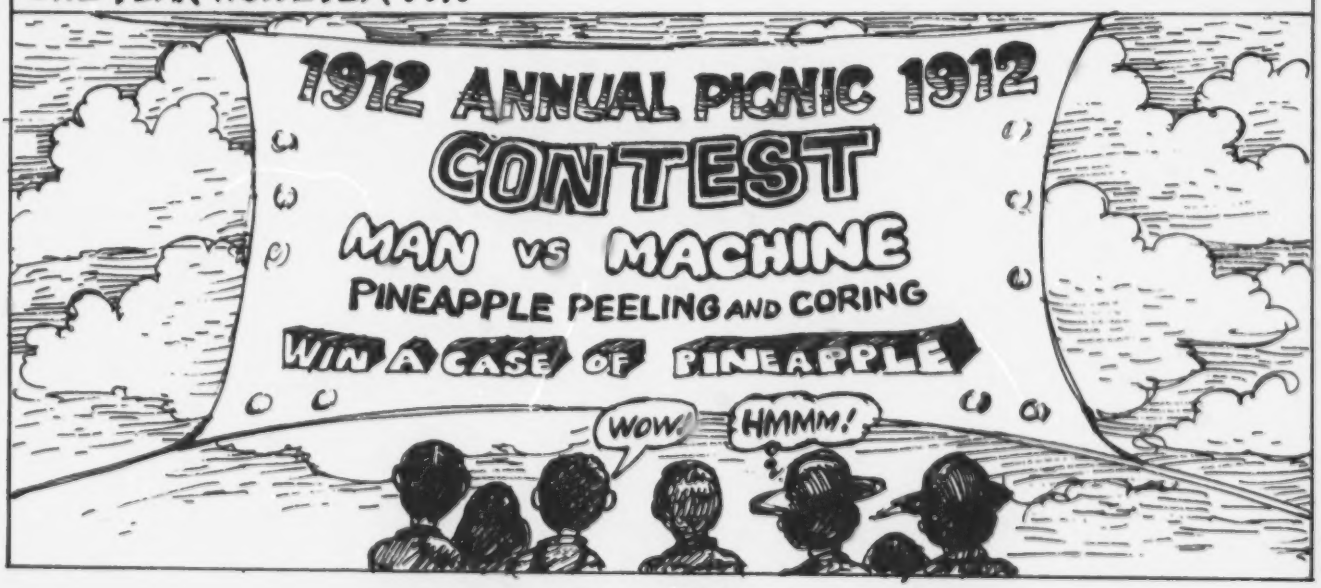
AND THE INDUSTRY WAS BOOMING.

PEOPLE WERE BUYING PINEAPPLE FASTER THAN WE COULD GROW AND CAN IT — AND MANY NEW JOBS WERE BEING CREATED.

THE THING I LIKED BEST ABOUT WORKING FOR HAWAIIAN PINEAPPLE WAS THE ANNUAL COMPANY PICNIC.

I USED TO WIN LOTS OF PRIZES.

ONE YEAR HOWEVER ....



OF COURSE I ENTERED. NO MACHINE COULD BEAT IHUNUI.

WHEN THE STARTING GUN WAS FIRED, I FLEW INTO ACTION...

I FINISHED MY FIRST PINEAPPLE...

THE MACHINE WAS THE WINNER.

LADIES AND GENTLEMEN. YOU HAVE JUST SEEN WHAT THIS GREAT NEW GMACA MACHINE CAN DO. IT CAN PEEL AND CORE NEARLY 100 PINEAPPLES A MINUTE. AND DON'T WORRY, NO ONE WILL LOSE HIS JOB BECAUSE OF THE MACHINE. GREATER PRODUCTIVITY MEANS LOWER PRODUCTION COST AND LOWER PRICES - AND YOU ALL KNOW WHAT THAT MEANS, PEOPLE WILL BUY MORE PINEAPPLE.

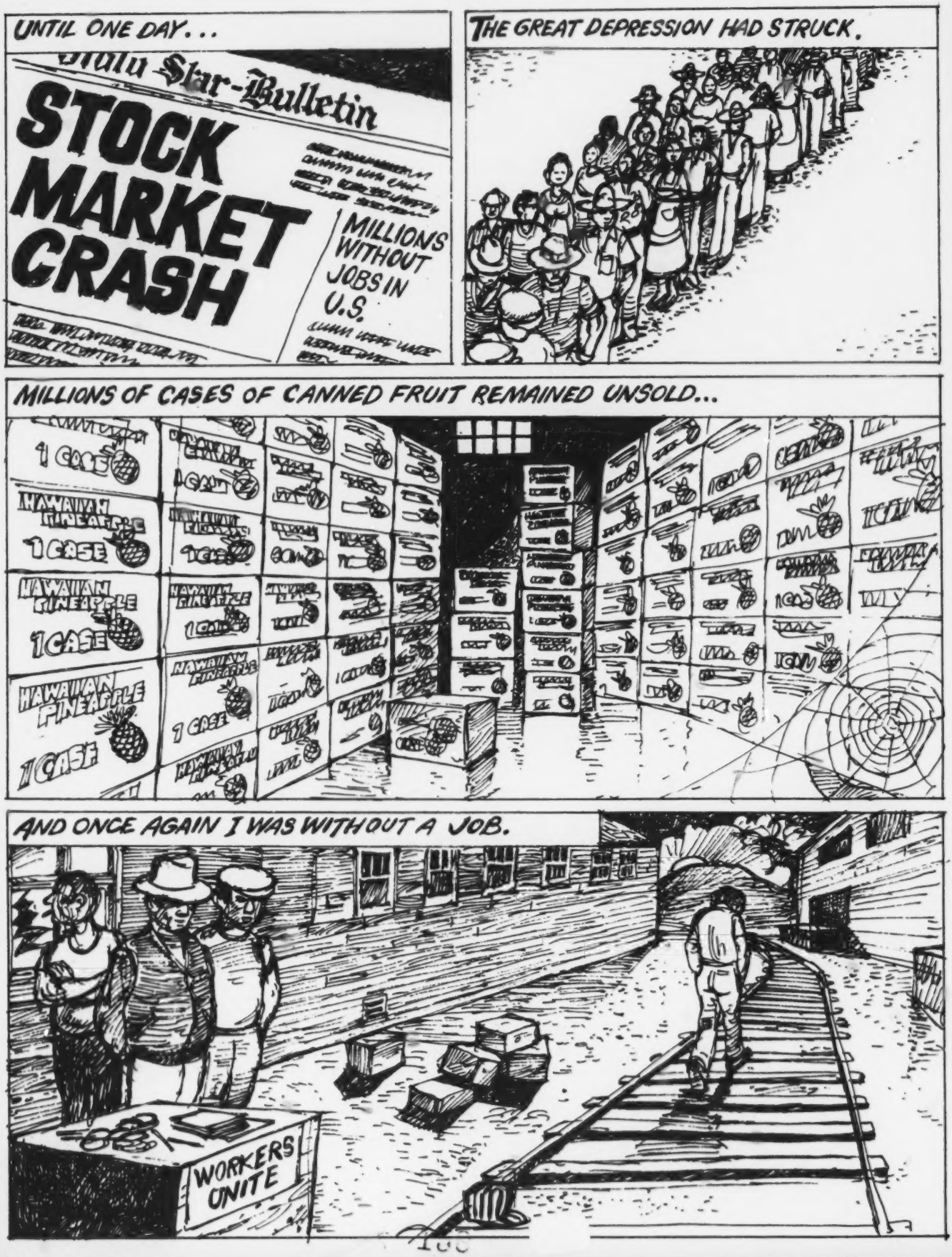
YAY!

YAY! YAY!!

AND HE WAS RIGHT...

PINEAPPLE PLEASE

THE FOLLOWING YEARS SAW OUR PINEAPPLE INDUSTRY GROW BY LEAPS AND BOUNDS, EVEN WITH STIFF COMPETITION FROM OTHER CANNED FRUITS.


UNTIL ONE DAY...
Honolulu Star-Bulletin
STOCK MARKET CRASH
MILLIONS WITHOUT JOBS IN U.S.
THE GREAT DEPRESSION HAD STRUCK.
MILLIONS OF CASES OF CANNED FRUIT REMAINED UNSOLD...
1 CASE
HAWAIIAN PINEAPPLE
AND ONCE AGAIN I WAS WITHOUT A JOB.
WORKERS UNITE

EPISODE VII

Little is known about when pineapple was first introduced to Hawai'i. Some people think that early whalers might have brought them to these Islands.

In the 1880s, a few white settlers thought that they might be able to develop a commercial market for pineapple. Thus, the first company of importance was organized in 1891 on lands near Pearl Harbor, Honolulu. Others sprang up shortly near Wahiawā.

These early ventures met with little success. One of the major obstacles to success was the presence of a high duty on imports into the U.S. That is to say, high tariffs had to be paid on Hawaiian pineapple during the time before Hawai'i became a U.S. Territory. This obstacle was finally cleared by Annexation in 1898.

Thus, beginning with the turn of the twentieth century, a number of entrepreneurs took up pineapple farming near Wahiawā. Among them was a young man from Boston, Massachusetts, by the name of James Dole who in 1901 organized the Hawaiian Pineapple Company — presently known as the Dole Pineapple Company — with a total investment of $15,440 subscribed by friends and relatives.

In his first year, James Dole had 16 employees, including himself. He planted 75,000 pineapple plants in 12 acres of land at Wahiawā. In those days, pineapple had to be canned, because fresh

pineapple would spoil if transported by sea over great distances. So, James Dole raised additional money on the U.S. mainland and built a tiny frame cannery which used hand-operated equipment and hand-made cans. His first pack in 1903 was 1,893 cases. In the next year, the pack rose to 8,820 cases; the following year, 25,022 cases. The industry was on its way.

Other entrepreneurs got into the business as well. By the mid-1950s, when pineapple production reached its peak, the annual pack of canned pineapple and juice averaged nearly 30 million cases.

Since then, the industry in Hawai'i has experienced significant decline primarily due to increased foreign competition from such areas as the Philippines and Taiwan.

The local industry responded to the competition by producing less canned pineapple and selling more fresh pineapple fruit on the mainland where foreign producers have a less competitive advantage.

EPISODE VII QUESTIONS

1. Cite at least three problems faced by the pineapple industry in its early years.

2. From the list of problems you compiled in question #1, describe how the pineapple growers overcame each problem.

3. What do you think the invention of the Ginaca machine did for the pineapple industry?

4. Why was Annexation an important event for the Hawaiian pineapple industry?

The next two questions relate to the table entitled "Hawaiian Pineapple Production", found on the next page.

5. In what year, since 1935, was the greatest quantity of pineapple and pineapple juice produced?

6. What has been happening to total production of Hawaiian pineapple over the past ten years? How do you account for this trend?

HAWAIIAN PINEAPPLE PRODUCTION

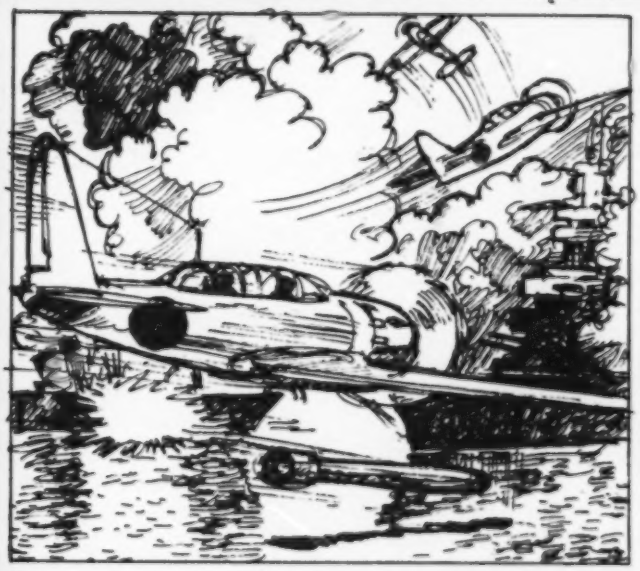
Pack Year	Canned Pineapple Fruit (actual cases)	Canned Pineapple Juice (actual cases)	Total Pineapple and Juice (actual cases)
1935-36.	11,428,246	4,086,930	15,515,176
1936-37.	12,070,905	6,811,475	18,882,380
1937-38.	12,598,839	7,161,918	19,760,757
1938-39.	11,141,577	8,870,987	20,012,564
1939-40.	12,923,553	8,555,896	21,479,449
1940-41.	10,947,414	10,808,302	21,755,716
1941-42.	12,085,968	8,563,012	20,648,980
1942-43.	11,942,955	9,574,037	21,516,992
1943-44.	11,126,881	8,297,598	19,424,479
1944-45.	10,164,219	7,957,424	18,121,643
1945-46.	9,050,898	8,671,204	17,722,102
1946-47.	10,236,886	8,206,789	18,443,675
1947-48.	11,399,856	8,890,454	20,290,310
1948-49.	13,696,908	10,816,682	24,513,590
1949-50.	14,073,323	11,110,580	25,183,903
1950-51.	15,097,960	12,353,602	27,451,562
1951-52.	14,689,918	10,197,311	24,887,229
1952-53.	16,915,343	12,561,151	29,476,494
1953-54.	16,580,814	12,830,204	29,411,018
1954-55.	16,399,368	13,014,189	29,413,557
1955-56.	18,612,561	12,223,600	30,836,161
1956-57.	17,991,805	12,795,403	30,787,208
1957-58.	16,798,396	10,471,780	27,270,176
1958-59.	17,676,613	12,454,426	30,131,039
1959-60.	17,286,739	10,850,251	28,136,990
1960-61.	18,461,912	11,573,952	30,035,864
1961-62.	18,121,674	11,758,808	29,880,482
1962-63.	18,457,107	11,938,126	30,395,233
1963-64.	17,644,797	11,149,792	28,794,589
1964-65.	16,301,014	10,427,798	26,728,812
1965-66.	17,833,405	11,881,038	29,714,443
1966-67.	19,004,793	11,322,805	30,327,598
1967-68.	17,001,665	10,794,417	27,796,082
1968-69.	17,728,421	10,929,987	28,658,408
1969-70.	16,970,762	11,813,634	28,784,396
1970-71.	17,717,851	10,590,059	28,307,910
1971-72.	17,961,000	11,004,137	28,965,137
1972-73.	15,891,173	9,282,288	25,173,461
1973-74.	14,042,485	8,469,606	22,512,091
1974-75.	11,583,854	5,643,313	17,227,167
1975-76.	12,142,000	6,173,000	18,315,000

Continued on next page

Pack Year	Canned Pineapple Fruit (actual cases)	Canned Pineapple Juice (actual cases)	Total Pineapple and Juice
1976-77.	12,159,814	7,294,530	19,454,344
1977-78.	12,482,000	8,403,000	20,885,000
1978-79.	11,142,000	7,386,000	18,528,000
1979-80.	10,930,000	7,699,000	18,629,000
1980-81.	9,918,000	8,114,000	18,032,000
1981-82.	9,759,000	7,997,000	17,756,000

Source: 1973 Pineapple Fact Book, Hawai'i (Honolulu: The Pineapple Growers' Association of Hawai'i, 1973), p. 18; Pineapple Growers' Association of Hawai'i Bulletin No. 1295, November 15, 1977; The State of Hawai'i Data Book 1986 p. 589.

EPISODE VIII: W.W.II.



Honolulu Star-Bulletin 1st EXTRA

WAR!

SAN FRANCISCO, DEC. 7. President Roosevelt announced this morning that Japanese planes had attacked Manila and Pearl Harbor.

OAHU BOMBED BY JAPANESE PLAN

I WAS STILL UNEMPLOYED WHEN THE WAR STARTED .... BUT I FIGURED THAT IT WAS NO PROBLEM SINCE I WAS BOUND TO DO MY PATRIOTIC DUTY.

U.S. ARMY RECRUITING OFFICE

SGT. JACKSTADT
CAPT. DAWSON

I PASSED MY PHYSICAL WITH FLYING COLORS
MMMMM
BUT WHEN THEY FOUND OUT HOW OLD I WAS
AUWE! 179 YEARS OLD!
SORRY POPS!
EXIT
I WAS REALLY DOWN IN THE DUMPS NOW.
I KNEW I COULD HELP SOMEHOW, BUT HOW?
I'VE GOT IT!

HAWAII WOULD SOON BE FILLING UP WITH SERVICEMEN, AND THAT WOULD MEAN INCREASED DEMAND FOR ALL KINDS OF GOODS AND SERVICES.
OFFICE FOR RENT
SO...
Chu Nui
EXIT
Chu Nui's Tattoos
GRAND OPENING
Betty Grable $5.00
Heart $3.00
Flag $2.00
Mom $1.00
U.S.M.C. .50¢
Anchor .50¢
BUSINESS WAS GREAT.
U.S.M.C.
SOON IT WAS MORE THAN I COULD HANDLE.
ENTER
EXIT
BUT MY NAME IS HORTENSE

I HAD TO RAISE MY PRICES TO KEEP THE LINE DOWN.

Betty Grable ~~$5.00~~ $10.00

Heart ~~$3.00~~ $6.00

Flag ~~$2.00~~ $4.00

FINALLY... V. J. DAY, 1945.

PEACE

... BUT AS OUR TROOPS BEGAN TO LEAVE, BUSINESS WENT DOWN.

I EVEN LOWERED MY PRICES, BUT I STILL HAD FEW TAKERS.

Betty Grable ~~$5.00~~ .50¢ ~~$10.00~~

Heart ~~$3.00~~ .25¢ ~~$6.00~~

Flag ~~$2.00~~ 15¢ ~~$4.00~~

I HAD TO CLOSE MY TATTOO PARLOR....

Chu Nui's Tattoos

CLOSED

Mom

AND LOOK FOR NEW OPPORTUNITIES.

WANT ADS

1945

SPORTS

YANKS CLIP INDIANS

EPISODE VIII

The impact of World War II on Hawai'i was dramatic. In a brief four years (1940-1944), the population of Hawai'i doubled as over 400,000 military personnel were stationed in Hawai'i. Hawai'i became a military camp. Enormous strains were placed on the available resources in Hawai'i. Over night, Hawai'i had to redirect its resources from peace-time use to the war effort.

Some businesses totally converted to war tasks. For example the entire tuna boat fleet owned by Hawaiian Tuna Packers, Ltd. was commissioned to patrol duty. Its yard performed repairs; its cannery was converted to an assembly plant; and its warehouse was leased to the Army.

Sugar and pineapple plantations too were affected by the war effort because plantations loaned men and materials to the armed forces and provided housing for troops. Despite an all-out government urge to increase the production of sugar and pineapple, the number of plantation laborers steadily declined and school children were recruited to work in the fields.

Shortages were evident everywhere. Housing was desperately short. Many families crowded into a single house. Some lived in garages or in shacks made of packing boxes. Some lived in the open. Rents soared and in 1941 rent control was implemented.

Because of huge military and civilian payrolls, demand for nearly everything escalated. Severe limitations on supply occurred because most available shipping capacity was directed to military use, and price control over all commodities was implemented in 1942.

The lack of shipping raised concerns about food supply in Hawai'i. Even before the War, Hawai'i had become increasingly dependent on outside sources. Attempts were made to raise food on plantations during the War, but were not successful. More successful were the many individual plots in community gardens and home backyards -- called Victory Gardens -- which produced impressive quantities of produce.

Gasoline and tires were rationed, making it difficult for people to travel. Likewise, business deliveries were curtailed.

In short, business was not as usual during the War. Nor was business "as usual" after the War. America had learned a lesson about the value of military preparedness from Pearl Harbor, and as part of its international defense establishment Hawai'i became the cornerstone of U.S. military might in the Pacific. Since World War II, defense spending has grown to become the second largest industry in Hawai'i.

EPISODE VIII QUESTIONS

1. What happened to the population of Hawai'i during World War II?

2. In the narrative portion of this episode, we mention that "shortages were evident everywhere" during World War II. Explain briefly, in terms of supply and demand, how these shortages came about.

3. Below are six fictitious newspaper headlines. In each case there has been a change in supply or demand that has caused the price to change. For each headline, specify whether the change in price is due to a change in supply or a change in demand.

   a. "Orchid Crop on Big Island Ruined by High Winds -- Orchid Prices Soar"

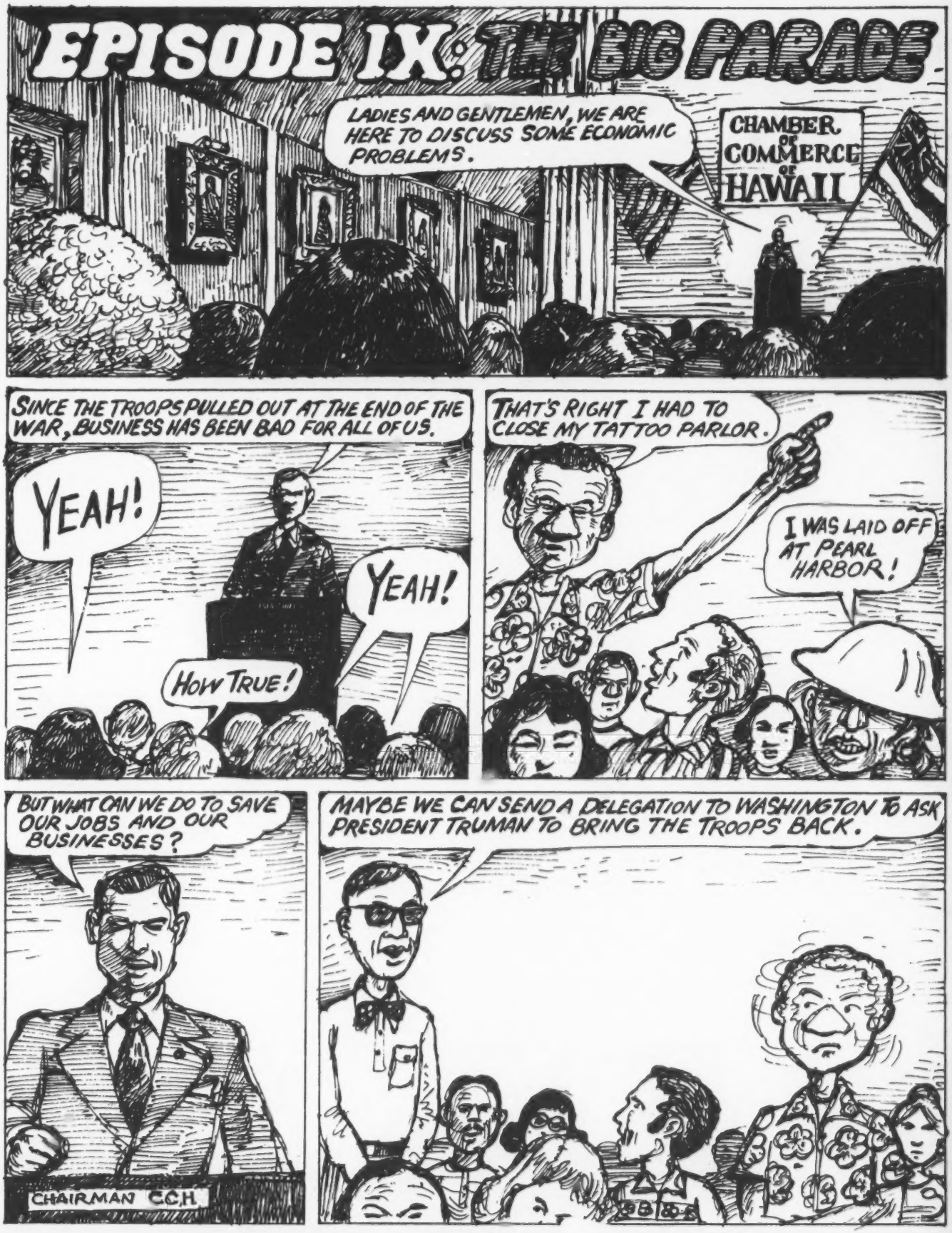
   b. "New Source of Bat Guano Found in Nu'uanu Cave -- Fertilizer Prices Fall"

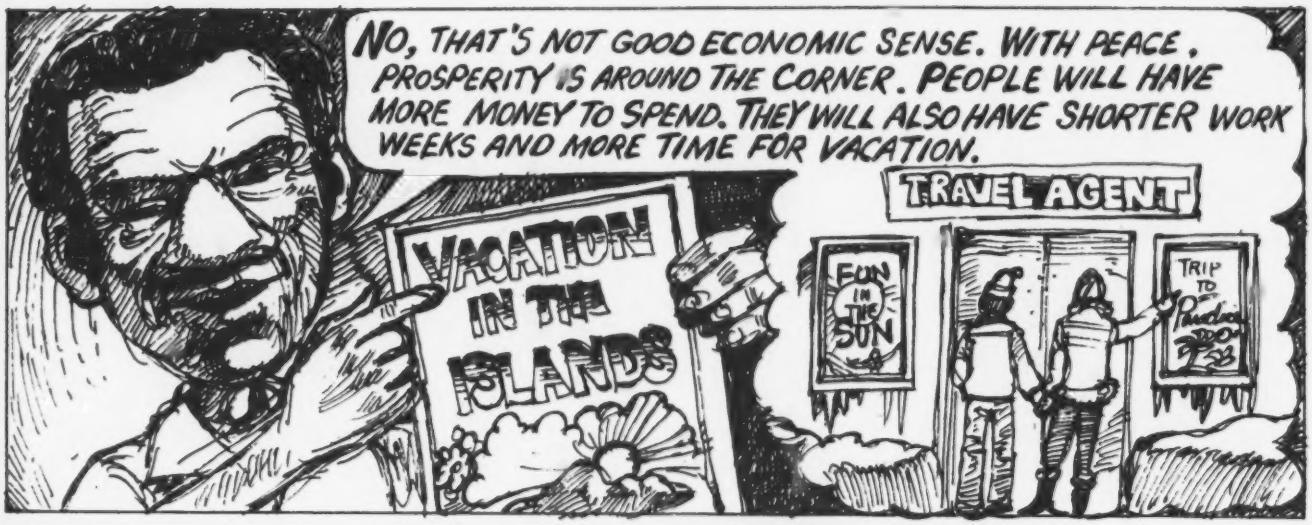
   c. "Fire Sweeps Oregon and Washington -- Lumber Prices Skyrocket"

   d. "Scientists Discover Link Between Manapua and Cancer--Manapua Prices Down"

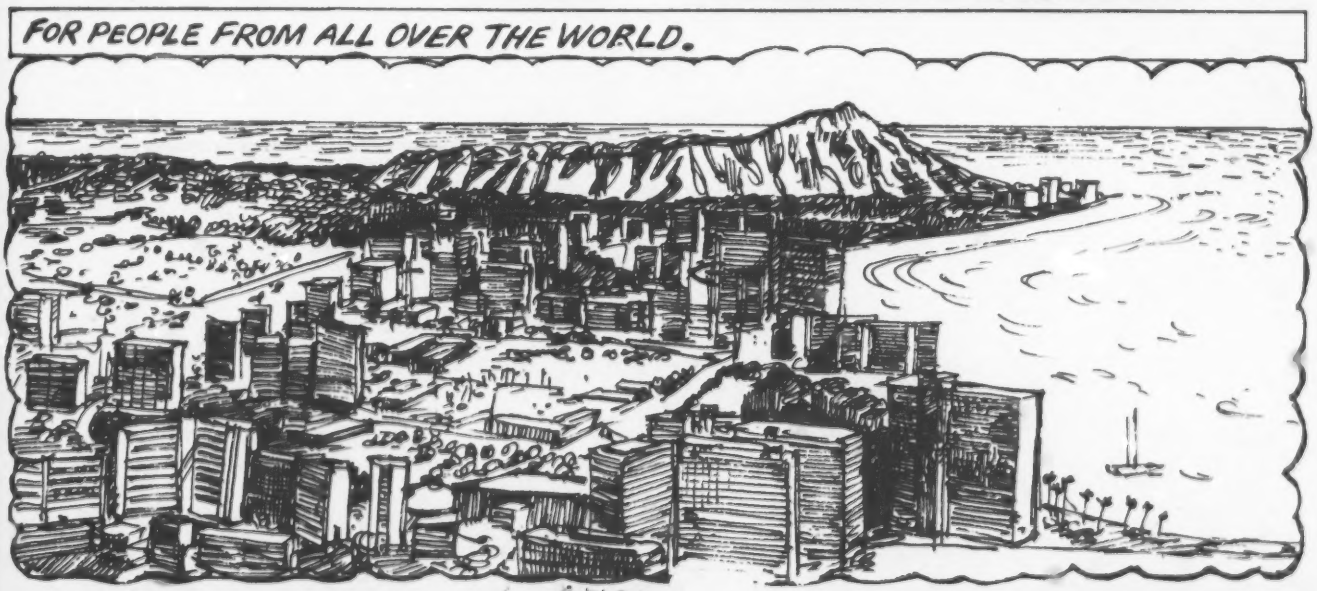
   e. "Shipping Strike Cuts Off Hawai'i -- Prices for Most Goods Go Up"

   f. "Population Boom Hits Hawai'i -- Land Prices Soar"

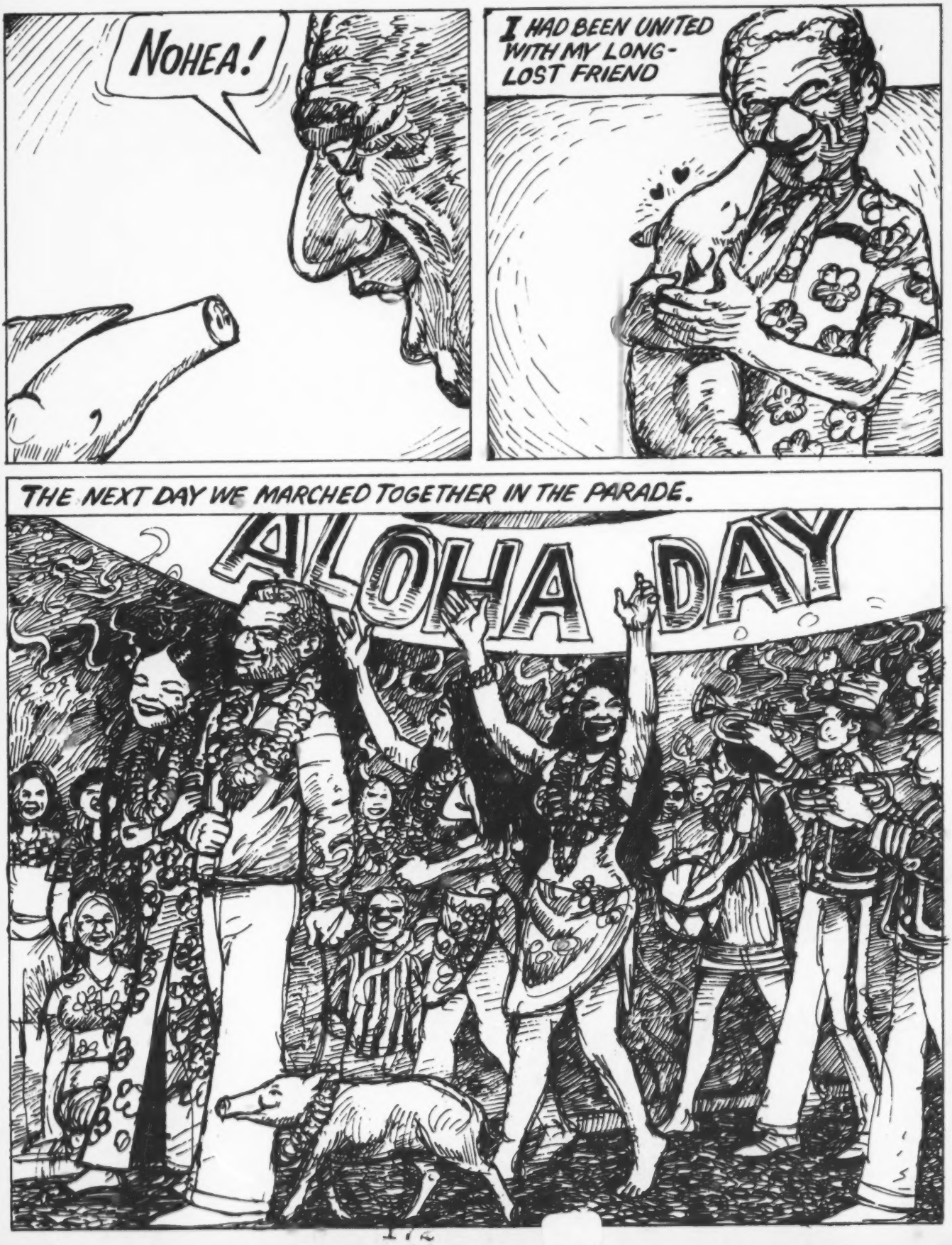

EPISODE IX: THE BIG PARADE
LADIES AND GENTLEMEN, WE ARE HERE TO DISCUSS SOME ECONOMIC PROBLEMS.
CHAMBER OF COMMERCE OF HAWAII
SINCE THE TROOPS PULLED OUT AT THE END OF THE WAR, BUSINESS HAS BEEN BAD FOR ALL OF US.
YEAH!
YEAH!
HOW TRUE!
THAT'S RIGHT I HAD TO CLOSE MY TATTOO PARLOR.
I WAS LAID OFF AT PEARL HARBOR!
BUT WHAT CAN WE DO TO SAVE OUR JOBS AND OUR BUSINESSES?
CHAIRMAN C.C.H.
MAYBE WE CAN SEND A DELEGATION TO WASHINGTON TO ASK PRESIDENT TRUMAN TO BRING THE TROOPS BACK.


NO, THAT'S NOT GOOD ECONOMIC SENSE. WITH PEACE, PROSPERITY IS AROUND THE CORNER. PEOPLE WILL HAVE MORE MONEY TO SPEND. THEY WILL ALSO HAVE SHORTER WORK WEEKS AND MORE TIME FOR VACATION.
VACATION IN THE ISLANDS
TRAVEL AGENT
FUN IN THE SUN
TRIP TO

AIR TRAVEL WILL REPLACE SHIPS AND WILL BE CHEAPER AND FASTER.
WE CAN MAKE HAWAII A VACATION PARADISE.


FOR PEOPLE FROM ALL OVER THE WORLD.

INSTEAD OF TATTOO PARLORS WE CAN OPEN MUUMUU FACTORIES...
LILA'S MUMUS
FACTORY DIRECT
WE CAN LEARN TO BECOME HOTEL MANAGERS, TOUR GUIDES, ENTERTAINERS AND ACCOUNTANTS.
ALOHA!
GREAT, BUT HOW?
HOW ABOUT A BIG PARADE TO SHOW PEOPLE EVERYWHERE OUR ALOHA?
YEAH, YEAH, AND AN ALOHA DAY PARADE.
AND A LUAU THE NIGHT BEFORE!
AND SO EVERYONE PITCHED IN ON THE PREPARATIONS. A BIG IMU WAS MADE...
... AND PIGS WERE BROUGHT IN.
HMM, THAT PIG LOOKS FAMILIAR


NOHEA!
I HAD BEEN UNITED WITH MY LONG-LOST FRIEND
THE NEXT DAY WE MARCHED TOGETHER IN THE PARADE.
ALOHA DAY

THAT WAS THE HIGH POINT OF MY LIFE.
ABC
PBS
CBS
NBC
BUT IHU, THAT WAS 20 YEARS AGO! WHAT HAVE YOU BEEN DOING SINCE?
OH.... I WAS TRYING TO INVENT AN AUTOMATED TOW LINE FOR SURF BOARDS WHEN THE WALLS CAVED IN.
WHAT ARE YOU GOING TO DO NOW?
MR IHU NUI
EXIT
I DON'T KNOW, BUT I'LL THINK OF SOMETHING. WE HAWAIIANS DON'T GIVE UP EASY.
THE END

EPISODE IX

The visitor industry is presently the largest single export industry in Hawai'i. This is reflected by its remarkable growth since Hawai'i gained statehood in 1959. In that year, less than 250,000 visitors came to Hawai'i. In 1985, 4.9 million visitors from all over the world visited these Islands, spending about $5 billion in Hawai'i. The expenditures, directly and indirectly, account for roughly one-third of our State'e total income and employment.

This remarkable history of growth was made possible in part by rising consumer income, and in part by declining air fares and travel times due to the introduction and extension of jet plane service since 1959.

This does not mean that there was no visitor industry before statehood. As early as 1830, there were a few rooming houses accommodating visitors. In the 1860s, regular steamship service began between Hawai'i and the U.S. mainland and already there were suggestions of the need for a first-class hotel. Since private capital was lacking, the government built the first hotel, named "The Hawaiian", in 1872 on the present site of the Armed Services YMCA in downtown Honolulu. In the next 25 years, a number of other hotels followed, among these were the Alexander Young (1903), the Halekulani (1917), and Royal Hawaiian (1927). In 1886, over 2,000 visitors came to Hawai'i — in 1922, there were nearly 10,000.

Of course, all of these early visitors came by ship. It was not until 1936 that Pan American World Airways inaugurated its trans-Pacific air passenger service from the U.S. mainland to Hawai'i. But today, nearly all visitors come to Hawai'i by air. "Boat Day", which used to be a colorful and festive occasion, is gone forever.

During World War II, the visitor industry was suspended as transportation and hotels were converted to military use. It was resumed after the War; and between 1947 and statehood, the visitor industry in Hawai'i grew ten-fold.

It is important to note that of the 4.9 million visitors who visited our State in 1985, two-thirds (3.2 million) were from the U.S. mainland, and the rest were from foreign countries. Among the foreign visitors 855,000 came from Japan.

EPISODE IX QUESTIONS

1. Name at least three reasons why the visitor industry began to flourish in Hawai'i after World War II.

2. How many tourists came to Hawai'i in 1985? Of this number, how many were from the U.S. mainland and foreign countries?

3. Do you think the first Aloha Day Parade was a good thing for the visitor industry? Can you think of other events that are held during the year in order to help attract visitors?

4. Why do so few tourists come to Hawai'i by boat today?

The following question relates to the table entitled "Visitors and Visitor Expenditures: 1922-1985".

5. Between 1922 and 1934, the total number of visitors to Hawai'i rose steadily for while, then fell dramatically. When did the decline begin? How do you account for this rise and fall?

VISITORS AND VISITOR EXPENDITURES
1922-1985

Visitors Staying Overnight or Longer

Year	Total	Westbound[2]	Eastbound[3]	Visitor Expenditures[1]
1922.	9,676	8,493	1,183	$ 4,400,000
1923.	12,021	10,699	1,322	5,500,000
1924.	12,468	11,311	1,157	5,700,000
1925.	15,193	13,689	1,504	7,200,000
1926.	16,762	15,177	1,585	8,000,000
1927.	17,451	15,693	1,758	8,200,000
1928.	19,980	18,275	1,705	9,200,000
1929.	22,190	20,041	2,149	10,300,000
1930.	18,651	16,995	1,656	8,700,000
1931.	15,780	14,332	1,448	6,900,000
1932.	10,370	9,464	906	4,100,000
1933.	10,111	9,345	766	3,800,000
1934.	16,161	14,841	1,320	6,300,000
1935.	19,933	18,030	1,903	7,900,000
1936.	22,199	20,039	2,160	8,900,000
1937.	21,987	19,489	2,498	9,500,000
1938.	23,043	20,853	2,190	10,200,000
1939.	24,390	21,737	2,653	11,000,000
1940.	25,373	23,369	2,004	12,000,000
1941.	31,846	30,425	1,421	16,400,000
1942-45	War Years -- visitor industry suspended.			
1946.	15,000	*	*	6,300,000
1947.	25,000	*	*	12,100,000
1948.	36,397	*	*	18,900,000
1949.	34,386	*	*	17,700,000
1950.	46,593	*	*	24,200,000
1951.	51,565	47,634	3,931	28,980,000
1952.	60,539	54,618	5,921	32,800,000
1953.	80,346	72,152	8,194	42,600,000
1954.	91,289	81,388	9,901	48,900,000
1955.	109,798	98,105	11,693	55,000,000
1956.	133,815	114,813	19,002	65,000,000
1957.	168,829	141,518	27,311	77,600,000
1958.	171,588	139,984	31,604	82,700,000
1959.	243,216	207,645	35,571	109,000,000
1960.	296,517	250,795	45,722	131,000,000
1961.	319,807	248,540	71,267	137,000,000
1962.	362,145	279,625	82,520	154,000,000
1963.	429,140	332,680	96,460	186,000,000

Continued on next page

Year	Total	Westbound[2]	Eastbound[3]	Visitor Expenditures[1]
New Series:				
1964.	563,925	460,290	103,635	205,000,000
1965.	686,928	567,218	119,710	225,000,000
1966.	835,456	686,886	148,570	280,000,000
1967.	1,124,818	893,103	231,715	380,000,000
1968.	1,314,571	1,015,844	298,727	440,000,000
1969.	1,527,012	1,181,029	345,983	550,000,000
1970.	1,798,591	1,377,756	420,835	595,000,000
1971.	1,818,944	1,430,325	388,619	705,000,000
1972.	2,244,377	1,782,737	461,640	840,000,000
1973.	2,630,952	2,067,861	563,091	1,020,000,000
1974.	2,786,489	2,184,620	601,869	1,225,000,000
1975.	2,829,105	2,207,417	621,688	1,360,000,000
1976.	3,220,151	2,551,601	668,550	1,640,000,000
1977.	3,433,667	2,763,312	670,355	1,845,000,000
1978.	3,670,309	3,030,999	639,310	2,146,000,000
1979.	3,960,531	3,139,455	821,076	2,537,000,000
1980.	3,934,504	3,046,132	888,372	2,875,000,000
1981.	3,934,623	2,974,791	959,832	3,200,000,000
1982.	4,242,925	3,278,525	964,400	3,700,000,000
1983.	4,368,105	3,396,115	971,990	3,974,000,000
1984.	4,855,580	3,721,380	1,134,200	4,582,000,000
1985.	4,885,110	3,708,610	1,175,500	4,900,000,000

[1]Excludes expenditures for trans-Pacific transportation.

[2]Arriving from the Mainland U.S. or Canada.

[3]Arriving from Asia or Oceania.

*Not available.

Source: Hawai'i Visitors Bureau, Annual Research Report (annual).

DIRECT INCOME FROM MAJOR EXPORT INDUSTRIES: 1958-1985
(In millions of dollars.)

Year	Total for four major industries	Value of production		Defense expenditures	Visitor[1] expenditures
		Raw sugar & molasses	Fresh and processed pineapple		
1958.....	613	98.0	130.1	301.7	83
1959.....	676	122.9	128.3	316.0	109
1960.....	720	118.4	119.4	351.4	131
1961.....	771	136.5	117.5	379.9	137
1962.....	766	149.3	115.0	348.0	154
1963.....	839	181.7	123.7	347.5	186
1964.....	879	154.6	126.9	392.6	205
1965.....	948	165.7	126.7	430.2	225
1966.....	1,076	179.6	127.7	488.4	280
1967.....	1,255	180.3	133.3	561.4	380
1968.....	1,331	189.1	127.5	574.6	440
1969.....	1,480	179.0	125.4	625.9	550
1970.....	1,561	187.8	138.6	639.4	595
1971.....	1,758	202.9	141.4	708.8	705
1972.....	1,914	184.7	145.4	744.2	840
1973.....	2,226	222.2	142.4	840.9	1,020
1974.....	2,927	676.6	127.1	897.9	1,225
1975.....	2,846	366.1	136.7	982.8	1,360
1976.....	3,076	257.0	144.5	1,034.2	1,640
1977.....	3,320	226.8	161.6	1,086.6	1,845
1978.....	3,750	285.2	162.8	1,155.5	2,146
1979.....	4,311	345.7	206.4	1,221.8	2,537
1980.....	5,013	594.1	226.5	1,317.4	2,875
1981.....	5,195	327.9	217.6	1,449.3	3,200
1982.....	5,951	351.5	206.0	1,693.4	3,700
1983.....	6,451	410.2	219.0	1,848.2	3,974
1984.....	7,092	393.0	249.6	1,867.2	4,582
1985.....	7,415	340.8	222.5	1,951.8	4,900

[1]Direct visitor expenditures in Hawai'i, exclusive of transpacific transportation and expenditures of carriers and crew.

Source: Hawai'i Crop and Livestock Reporting Service, Statistics of Hawaiian Agriculture (annual) and records; First Hawaiian Bank, Research and Planning Division , records; data supplied to DPED by armed forces; Hawaii Visitors Bureau, 1985 Annual Research Report, p. 1, and records.

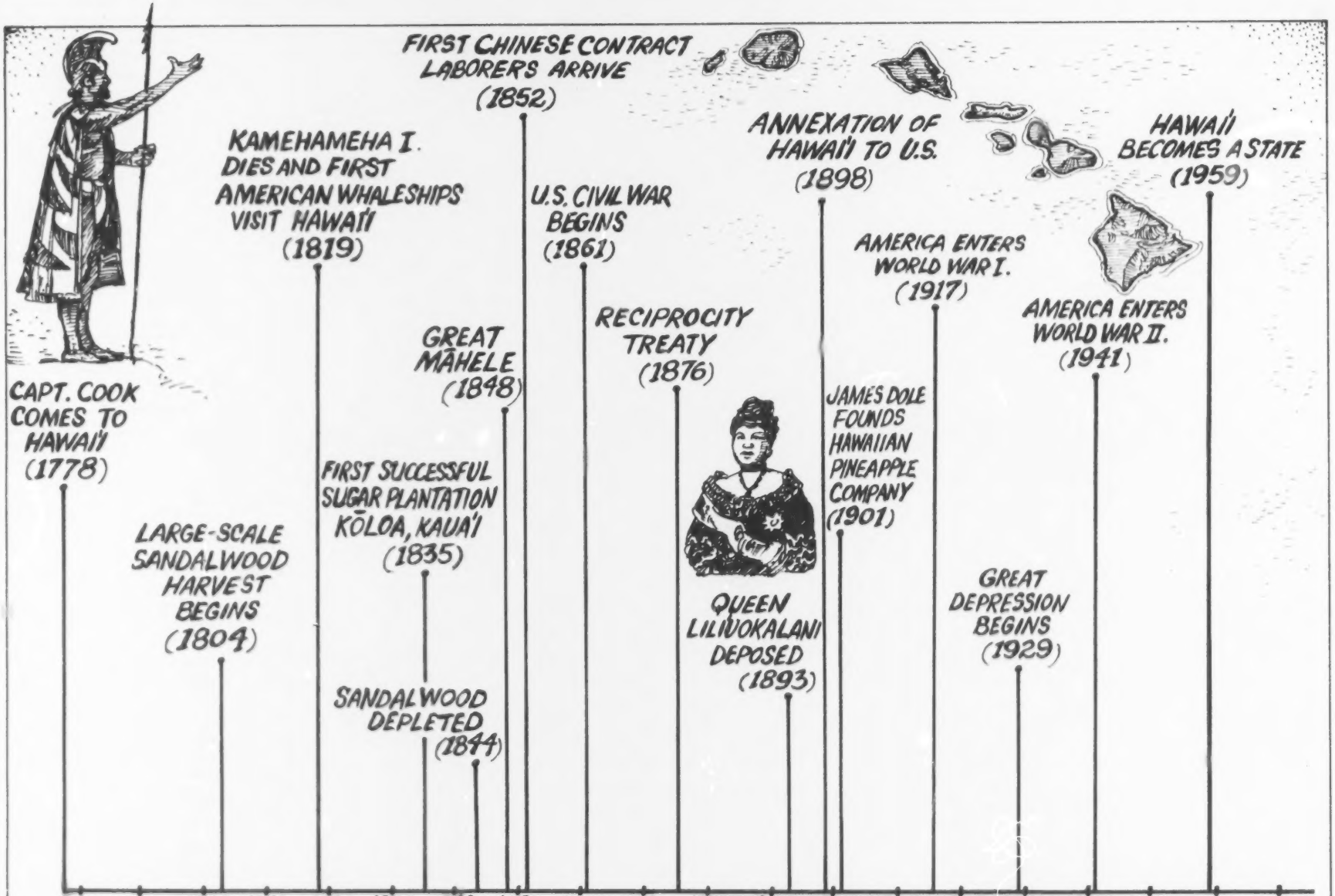
POPULATION OF HAWAI'I 1778 TO 1985

Estimate or Census Date[1]	State of Hawai'i	Island of O'ahu	Island of Hawai'i	Island of Maui	Island of Kaho'olawe	Island of Lana'i	Island of Moloka'i	Island of Kaua'i	Island of Ni'ihau
1778-1779	250,000	50,000							
1823	145,000	34,000							
1831	129,814	29,745	45,700	35,062	80	1,200	6,000	10,947	1,080
1878	57,985	20,236	17,034	12,109	0	214	2,581	5,634	177
1910	191,874	81,993	55,382	28,623	2	131	1,791	23,744	208
1940	422,770	257,696	73,276	46,919	1	3,720	5,340	35,636	182
1960	632,772	500,394	61,332	35,717	0	2,115	5,023	27,922	254
1970	769,913	630,497	63,468	38,691	0	2,204	5,261	29,524	237
1980	964,691	762,534	92,053	62,823	0	2,119	6,049	38,856	226
1985*	1,053,900	814,600	109,200	76,600	0	2,200	6,500	44,600	180

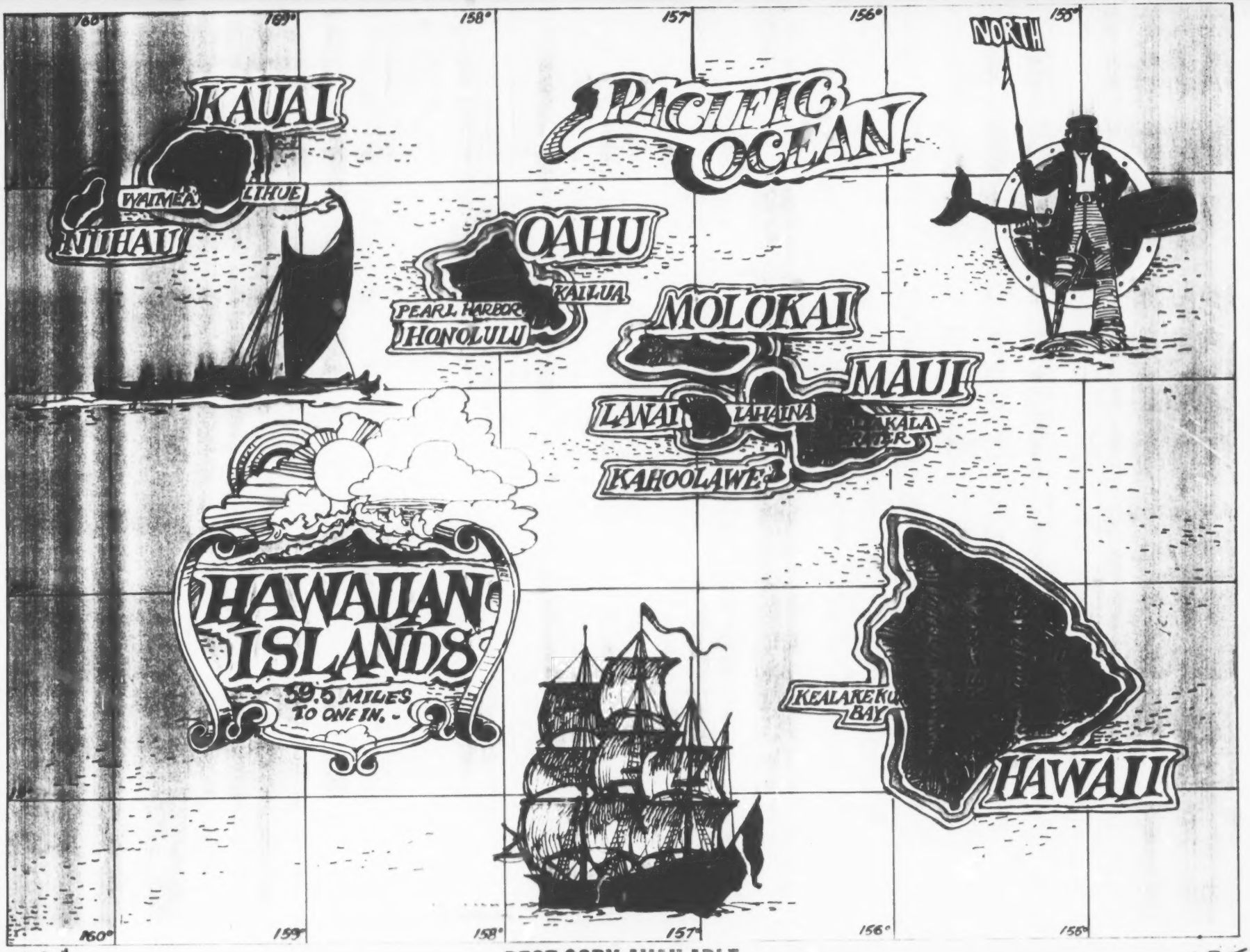
[1]Estimates for 1778-1779 and 1823, partial censuses (as supplemented by estimates) for 1831-1832 and 1835-1836, and official censuses for 1850 to 1970.

* Provisional estimates as of July 1, 1985.

Source: Hawai'i Department of Planning and Economic Development, The State of Hawai'i Data Book 1985 -- A Statistical Abstract, p. 14.


FIRST CHINESE CONTRACT LABORERS ARRIVE (1852)
KAMEHAMEHA I. DIES AND FIRST AMERICAN WHALESHIPS VISIT HAWAI'I (1819)
U.S. CIVIL WAR BEGINS (1861)
ANNEXATION OF HAWAI'I TO U.S. (1898)
HAWAI'I BECOMES A STATE (1959)
AMERICA ENTERS WORLD WAR I. (1917)
AMERICA ENTERS WORLD WAR II. (1941)
GREAT MĀHELE (1848)
RECIPROCITY TREATY (1876)
CAPT. COOK COMES TO HAWAI'I (1778)
JAMES DOLE FOUNDS HAWAIIAN PINEAPPLE COMPANY (1901)
FIRST SUCCESSFUL SUGAR PLANTATION KŌLOA, KAUA'I (1835)
LARGE-SCALE SANDALWOOD HARVEST BEGINS (1804)
QUEEN LILIUOKALANI DEPOSED (1893)
GREAT DEPRESSION BEGINS (1929)
SANDALWOOD DEPLETED (1844)
1780 1790 1800 1810 1820 1830 1840 1850 1860 1870 1880 1890 1900 1910 1920 1930 1940 1950 1960 1970

SOME IMPORTANT EVENTS: HAWAII 1778-1978



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